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December 10, 1990

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Pensions & Investments

The Newspaper of Corporate and Institutional Investing

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AT DEADLINE

Pru Realty cuts back

Prudential Realty Group announced plans to reduce its 1,100-member staff by 10%. Some employees handling real estate transactions for Prudential Real Estate Investors — which manages about $5.5 billion in tax-exempt assets, including the $3.4 billion PRISA open-end fund — are likely to be affected by the staff cuts.

ULLICO chief named

Union leader Robert A. Georgine has been named chairman and chief executive officer of ULLICO Inc., the holding company for The Union Labor Life Insurance Co. He succeeds Daniel E. O'Sullivan, who died.

Chapter 11 fallout

Continental Airlines' Chapter 11 filing will cause the PBGC to file a $700 million claim against the airline's parent company and its subsidiaries. The claim represents the underfunding of Eastern Air Lines Inc.'s seven terminated pension plans.

Cash account allocated

Prentiss Properties Ltd. Inc. has hired AMR Investment Services Inc., Fort Worth, to manage a $5 million short-term cash account.

401(k) plan hires 3

Book Inventory Systems, Ann Arbor, Mich., has hired Oppenheimer & Co., Capital Research and Management Co. and Watkins & Ross, as the firm readies to begin a 401(k) plan Jan. 1. Oppenheimer was hired as consultant; Capital Research for three mutual funds options; and Watkins & Ross for bookkeeping.

INSIDE

Illustration by Greg Louden

Taking a closer look

At first glance, Rep. Dan Rostenkowski's proposal to tax the capital gains of foreigners seems like a good idea — but its ramifications could come back to haunt the United States. In Commentary, page 14.

IRS curbs health funding method

By Hillary Durgin

WASHINGTON — The Internal Revenue Service is putting the brakes on a new method to pre-fund retiree medical benefits.

Last week, the IRS said it would not accept further applications seeking approval on plans similar to one used by Procter & Gamble Co., Cincinnati, which uses a leveraged employee stock ownership plan to pre-fund retiree health accounts.

"We're going to put a hold on any determination letter applications until we can study this further," said Martin Slate, director of the employee plans division at the IRS.

The move by the IRS, which previously had issued a favorable determination letter to Procter & Gamble from a district office, is likely to restrain companies from immediately mimicking the approach, and ultimately could lead to restrictions on similar plans, lawyers and benefits consultants said. It is unclear whether the Procter & Gamble vehicle will be affected.

"It will make employers much more cautious in going forward if they do not have the protection of a determination letter," said A. Richard Susko, partner at Cleary, Gottlieb, Steen & Hamilton, a New York law firm. "And for those that do go forward, they will undoubtedly do so only with well-designed exit strategies."

Driving the IRS decision are revenue concerns associated with the ability to pre-fund retiree medical benefits on a tax-deductible basis, as well as some policy and technical questions about the plan's design, consultants said.

"There will be pressure on the (IRS) to look closely at the arrangement because of the revenue issue," said Harry J. Conaway, principal at William M. Mercer Inc., Washington. "If they find that some technical rule is violated, they're likely to say no one else could do it."

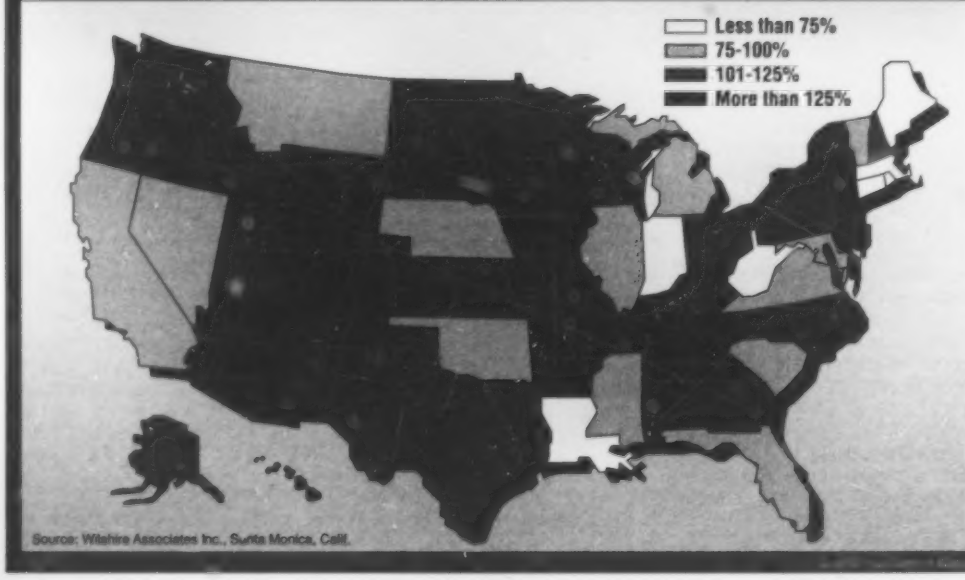
"We are looking at this from every angle," an IRS official said in an interview, referring to the combination of a leveraged ESOP and a 401(h) account, which is the basis for the Procter & Gamble design.

"What Congress has done in the

See **Health** *on page 46*

How healthy are the states' pension systems?

A recent survey tallied the funded status – assets as a percentage of the accumulated benefit obligation – of the aggregate pension system in each state and the District of Columbia. Valuation dates vary for the 82 funds comprising the survey.



Source: Wilshire Associates Inc., Santa Monica, Calif.

Public fund surpluses doubted

5 execs question Wilshire study's results and methodology

By Steve Hemmerick

Representatives from five state pension funds denied their systems have $35.4 billion in total surplus assets, as claimed in a new study of public pension funding levels.

The pension fund officials described the methodology as fuzzy and the actuarial assumptions as questionable, saying the spread between the interest rate and salary growth assumptions created the "surpluses."

Wilshire Associates Inc., the Santa Monica, Calif., consulting firm, did the study. It investigated the fiscal health of 82 state-sponsored retirement systems with $500 billion in total assets.

In completing the study, Wilshire consultants used new Governmental Accounting Standards Board reporting requirements.

Stephen Church, a Wilshire vice president and consultant who led the study, said to his surprise the study found most of the state retirement systems in good fiscal health.

But the Wilshire study also found some systems had huge surpluses. The study stated the New York (State) Public Employees Retirement System was the most overfunded, in dollar terms, with a $12.1 billion surplus. The New York State Teachers' Retirement System had a surplus of $9.4 billion, followed by the California Public Employees' Retirement System, $6.5 billion; the Teacher Retirement System of Texas, $3.9 billion; and the New Jersey Division of Investment, $3.5 billion.

The results came at a bad time for public funds in general, which are facing increased pressure from legislators to be used for social or budget-balancing means.

And they came at a particularly bad time for the New York systems. Gov. Mario M. Cuomo and the Legislature soon are expected to decide whether to change the accounting system for the state teachers fund from an aggregate cost method to a projected unit credit method.

When that change was implemented at the $36 billion employees system, state contributions dropped to almost nothing from 4% of payroll, except for some small local police and fire department contributions, according to

See **Wilshire study** *on page 45*

10 seek to revise tenders

By Marlene Givant Star

FMR Corp. and the Prudential Insurance Co. of America are leading a crusade by the biggest institutional investors in the country to reform SEC rules governing tender offers for bonds.

The move was prompted by the unprecedented leap in buybacks of deeply discounted bonds by highly leveraged companies — increasingly as an alternative to seeking bankruptcy protection. Bond tender offers are protected by only two of the 20 rules governing stock tender offers. And the very abuses that prompted the Securities and Exchange Commission stock tender rules are rampant in the bond area.

For instance, investors feel coerced into tendering their bonds in many situations today because if they don't, their bonds stand to plummet in value. And in several other respects, bondholders are not afforded the protections guaranteed to stock investors in tender offers.

Initially attacking what they consider the most egregious abuse, Boston-based FMR, the investment adviser to Fidelity Investments, and Newark-based Prudential have co-sponsored a petition signed by eight other institutions asking the SEC to require companies to seek bondholders consent to remove covenants before making a tender offer for the bonds.

Many high-yield issuers solicit bondholders consent to eliminate certain restrictive provisions on the debt. A successful consent solicitation can dramatically lower the value of the securities.

Other institutions signing the petition are The Equitable Life Assurance Society of the United States, New York, and seven Boston-based firms: John Hancock

See **Tenders** *on page 46*

NEWS DIGEST

Elizabeth Dole, in one of her last acts as secretary of labor, rejected a proposal by Housing and Urban Development Secretary Jack Kemp to allow pension assets to be used for affordable housing. Page 6.

The chief investment officers at 2 Texas pension funds are leaving their posts, but under very different scenarios. Page 4.

SPECIAL REPORT: EMPLOYEE BENEFITS

Flexible benefit plans are becoming a popular program with companies whose employees want more than traditional plans offer. Page 17.

Cash balance plans have found a quiet niche with several U.S. companies. Page 17.

Lump-sum distributions could be hit by a taxation double whammy through adoption of pension simplification legislation awaiting congressional action. Page 17.

FINANCING

Companies seeking to pre-fund retiree health benefits cannot follow Procter & Gamble's example, the Internal Revenue Service says. Page 1.

Northrop Corp. is being targeted "as one of the poorest performing" companies among the holdings of the California Public Employees' Retirement System. Page 2.

INTERNATIONAL

Opportunities to squeeze more revenue out of services could have more pension funds following Oregon's move to change custodians. Page 3.

An Australian union representing Westpac bank employees is suing the bank over the reversion of more than $250 million in surplus assets. Page 2.

Pension funds need higher foreign allocations to take advantage of expanding investment opportunities throughout the world. Page 47.

REAL ESTATE

The lag between property values and appraisals for pension fund property holdings in the Northeast could mean investors will be paying fees based on temporarily inflated numbers. Page 2.

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Scoreboard questionnaires out

Work has begun on *Pensions & Investments'* annual Money Manager Scoreboard. Questionnaires have been mailed and must be returned by Dec. 31 to be included in the rankings. If your investment management firm has not yet received a questionnaire, or if you have questions on it, contact Christine Philip, directory coordinator, at (312) 649-5217.

California targeting Northrop

By Marcia Parker

LOS ANGELES — Northrop Corp., one of the nation's top aerospace companies, is being targeted "as one of the poorest performing" companies among the more than 1,300 portfolio holdings of the $54 billion California Public Employees' Retirement System.

In addition, the California fund has filed shareholder proposals at ITT Corp. and W.R. Grace & Co. on executive compensation. The proposals call for the board of directors' committee on compensation to be composed solely of independent directors and to be provided with independent counsel. Both Grace and ITT are considered poor performers, particularly in returns to shareholders, although ITT has been improving in the past few years.

In a letter to Northrop Chief Executive Officer Kent Kresa, Dale Hanson, chief executive officer of the pension fund, said it would sponsor a shareholder proposal at the 1991 annual meeting asking that Northrop opt out of a section of Delaware's anti-takeover law, which is permitted if a majority of a company's shareholders vote to do so. The California pension fund holds 288,000 Northrop shares.

Mr. Hanson acknowledged that electing not to be governed by that section of the Delaware law will not necessarily lead to improved economic performance at Northrop. But he said it would result in "an improved corporate governance structure, one that will involve stockholders more directly in fundamental decisions that will effect the company's future economic performance."

He said the fund was submitting the proposal to meet the deadline for submission to the Securities and Exchange Commission. But he stressed the pension fund is eager to talk with management about enhancing shareholder value without the need to pursue the stockholder proposal mechanism.

The defense industry has been

See **Northrop** *on page 46*

Photo by Linda Sue Scott

Dale Hanson, chief executive of the California fund, wants Northrop to opt out of a portion of Delaware's anti-takeover law.

Selected real estate markets in the Northeast

Market	Class A office rental range: CBD	Class A office rental range: Non-CBD	Office vacancy rate: CBD	Office vacancy rate: Non-CBD
Hartford, Conn.	$22.50-35.00	$15.00-25.80	17.4%	19.8%
New Haven, Conn.	18.00-28.50	9.50-24.00	27.9	28.5
Suburban Maryland	na	16.50-35.00	na	18.1
Boston	18.00-55.00	10.00-29.00	16.0	21.2
Princeton, N.J.	na	16.50-29.00	na	15.3
Northern New Jersey	na	13.75-31.00	na	19.7
New York/Midtown	23.00-75.00	na	16.3	na
New York/Downtown	16.00-49.75	na	18.2	na
Philadelphia	16.01-33.00	10.20-31.75	11.1	20.2
Pittsburgh	15.00-28.50	8.00-24.00	17.4	18.5

Source: Cushman & Wakefield Inc., New York

Preparing for shock

Big writedowns coming for Northeast

By Steve Hemmerick

Appraisal reports on some of the estimated $17 billion in pension fund property holdings in the Northeast United States likely contain significantly overstated values, some real estate consultants and advisers believe.

The lag between current property values and the appraisals could mean pension investors will be paying managers fees based on temporarily inflated numbers.

Economic hard times in the region — particularly in cities like New York, Philadelphia and Boston — have caused realty values to fall.

"Some property types in some (Northeast) markets could be off easily 10% or significantly more than 10%. I would say office properties could be off as much as 20%," said Richard Barthell, a partner with Kenneth Leventhal & Co., Los Angeles.

In the New York region, Class A office properties have dropped in value 10% to 20%, agreed Stephen Bank, a senior vice president in the New York office of Cushman & Wakefield Inc. He said retail mall values also have been falling.

According to the Russell-NCREIF Property Index, advisers have written down properties in the Northeast 1.6% for the year ended June 30.

While real estate advisers have been taking some writedowns in the Northeast, they're not taking

See **Writedowns** *on page 43*

Theodore M. Leary says funds will be shocked by the drop.

Union sues over reversion

By Jennifer Fletcher

SYDNEY, Australia — A union representing bank employees is suing Westpac Banking Corp. and the trustees of its Employees Superannuation Fund over the reversion of more than $250 million of surplus assets from the fund to the bank earlier this year.

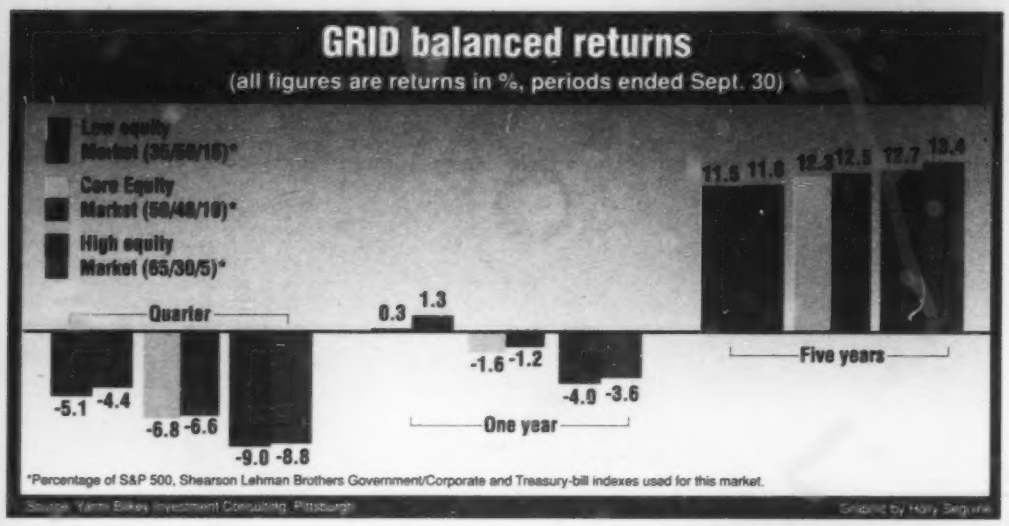
The Australian Bank Employees Union asserted in the suit that bank executives and the trustees had wrongfully amended the trust deed with the prime objective of allowing part of the approximately $770 million surplus to be paid to the bank.

The suit spotlights the emergence in Australia of an issue U.S. pension sponsors have been wrestling with for years.The Westpac case is the second litigation to emerge in Australia this year involving the distribution of pension fund surpluses. Shell Australia, which is trying to establish a new pension plan, also has entered a legal battle with employees over claims to $770 million of surplus pension assets from the old plan.

The bank employees union suit alleges the bank board of directors breached its fiduciary duties and committed fraud by amending the trust deed. Further, the union claims the fund's trustees failed to consider whether Westpac had any entitlement to the surplus and had acted in breach of their fiduciary duty to the beneficiaries of the plan.

The nationwide plan has more than 25,000 active members and is one of the largest defined benefit

See **Reversion** *on page 43*


GRID balanced returns
(all figures are returns in %, periods ended Sept. 30)
Low equity Market (35/50/15)*
Core Equity Market (50/40/10)*
High equity Market (65/30/5)*
Quarter
Five years
One year
-5.1 -4.4
-6.8 -6.6
-9.0 -8.8
0.3 1.3
-1.6 -1.2
-4.0 -3.6
11.5 11.8 12.2 12.5 12.7 13.4
*Percentage of S&P 500, Shearson Lehman Brothers Government/Corporate and Treasury-bill indexes used for this market.
Source: Yami Bakey Investment Consulting, Pittsburgh
Graphic by Holly Seguine

REAL ESTATE

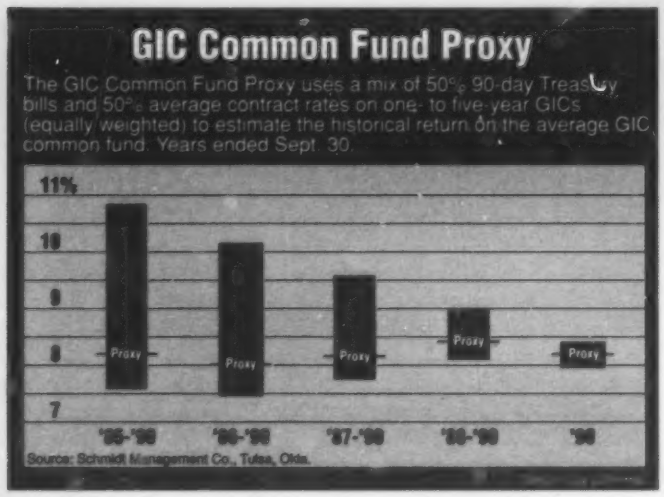
Income keeps performance positive

■ Institutional investors got a minuscule 0.61% total return from real estate in the third quarter, according to the Russell-NCREIF Property Index.

The index measures performance of 1,389 institutional properties valued at $20.5 billion. Third-quarter income gain from the properties reached 1.57%. But most of that gain was lost to depreciation, −0.96%.

For the first three quarters of 1990, the total return reached 2.97%, just less than 1% return per quarter. If the trend continues, the real estate return could be just less than 4% for calendar 1990, which some consultants believe would be a new low for institutional real estate. For the first three quarters, income returned 4.85%, but properties depreciated 1.82%.

For the year ended Sept. 30, the return reached 4.2%. Income for that period reached 6.56%, but depreciation, −2.25% for the year, took away about one-third of the return.


GIC Common Fund Proxy
The GIC Common Fund Proxy uses a mix of 50% 90-day Treasury bills and 50% average contract rates on one- to five-year GICs (equally weighted) to estimate the historical return on the average GIC common fund. Years ended Sept. 30.
11%
10
9
8
7
Proxy
'85-'90
'86-'90
'87-'90
'88-'90
'90
Source: Schmidt Management Co., Tulsa, Okla.

INVESTING

Wells Fargo retained as manager

■ The Federal Retirement Thrift Investment Board has retained Wells Fargo Institutional Trust Co., San Francisco, to manage the $7 billion fund's common stock and fixed-income index accounts.

The board's C Fund, with $156 million in assets, is invested in a stock-index fund that tracks the Standard & Poor's 500 Stock Index.

The $48 million F Fund will track the Shearson Lehman Brothers Aggregate Bond Index, a switch from the Shearson Lehman Brothers Government/Corporate Bond Index.

The change in benchmarks will enable the fund to have about 28% of its assets invested in higher-yielding mortgage-backed securities.

The assets will be invested in two commingled trust funds, which are managed by Wells Fargo Nikko Investment Advisors.

The government's Thrift Savings Plan, which is overseen by the board, has an additional $7 billion internally managed in government securities.

An expected high growth rate for the plan and a lifting of many investment restrictions — scheduled to be implemented in January — will spur significant growth in the assets of the C and F funds.

The three-year contracts, which include options to extend for an additional two years, take effect in January.

Hicks Waldron thinks boards should seek the help of outside advisers.

GOVERNANCE

These advisers know their way in boardrooms

■ Hicks Waldron, former chief executive officer of Avon Products Inc., New York, says boards of directors increasingly will turn to outside experts to help them on corporate governance issues. Who would be a better confidant and adviser than an experienced chief executive officer?

Mr. Waldron, who just joined Boardroom Consultants Inc., New York, as chairman, helped line up an impressive advisory board of former CEOs and chairmen to recruit directors and assist boards of directors in dealing with thorny governance issues.

The advisers are John Burlingame, former vice chairman and director of General Electric Corp.; Robert Frederick, former CEO of RCA Corp.; Robert Kilpatrick, former CEO of CIGNA Corp.; John Pietruski, former CEO of Sterling Drug Co.; Donald Seibert, former CEO of J.C. Penney & Co.; and William Souders, former CEO of Emery Air Freight Co.

Boards traditionally have sought legal counsel, but they haven't had a pool of seasoned executives on which to rely for advice. This new approach is being tried at a time when institutional investors are seeking more input into the nominating process and direct communication with boards.

PEOPLE

O'Sullivan spent career at ULLICO

D. O'Sullivan

■ Daniel E. O'Sullivan, president and chief executive officer of ULLICO Inc., died of a heart attack Nov. 25 while attending mass at St. Luke's Catholic Church.

Mr. O'Sullivan spent his entire career with ULLICO, the Washington-based holding company for Union Labor Life Insurance Co. and other related companies.

Mr. O'Sullivan oversaw Union Labor Life's relocation to Washington from New York City in 1983 and the reorganization of the company into ULLICO in 1987.

Mr. O'Sullivan also designed ULLICO's expansion in group health insurance, fiduciary liability insurance, pension fund investment and benefit administration. The union-owned company now has assets exceeding $2 billion.

Mr. O'Sullivan joined Union Labor Life as a clerk in 1950, was named president in 1979 and chief executive officer in 1984. A successor has not yet been named.

INTERNATIONAL

Fund targets Spanish companies

■ Betting on the future growth of Spain's small to midsize companies, a closed-end private placement fund has raised $90 million from institutional investors on three continents.

The fund, believed to be the largest of its kind, is a Dutch investment company jointly sponsored by Asesores Bursatiles, a Madrid investment bank, and American International Group, an insurance company. It is AIG's first investment fund geared to institutions.

Investors are mainly pension fund managers and insurance companies from Europe, the Far East and the United States.

Besides this fund — Asesores Bursatiles Capital Fund N.V. — only three other funds invest in unlisted Spanish companies, even though the companies dominate the economy. Ninety-four percent of Spain's companies are small to midsize with less than 200 employees, according to A.B. Colayco, vice president-foreign investments at AIG and a member of the fund's board.

The fund, denominated in Dutch guilders, will make predominantly straight equity investments in private companies through minority stakes. It will seek to provide development and expansion capital to proven companies rather than early stage venture capital.

AIG is a "significant" investor in the fund, although Mr. Colayco declined to be more specific.

Some of the fund's 14 investors are on its board and investors can provide additional equity to companies beyond the fund's stake.

CUSTODY

U.S. bank opens a branch office in City of Lights

The Bank of New York has added Paris to its global custody locales.

■ The Bank of New York's global custody operation is becoming more global.

The bank, which already had global custody administrative offices in New York, London and Tokyo, has expanded them to include Frankfurt, Milan, Paris and Madrid — sites where the Bank of New York already has a banking presence.

The point is to service global custody customers locally in those countries, according to a bank spokesman.

And this expansion may not end in Europe; the bank is "looking at the possibility of having additional custody offices in Asia," he said.

The global custody expansion follows the implementation of the bank's global securities movement and control system and also, earlier this year, the new multicurrency accounting system. "Between the two systems, we have $20 million-plus investments" that will be used in the bank's global custody offices worldwide, said the spokesman.

No new employees are being hired for the European global custody administrative offices. Existing bank employees are being reassigned to global custody but will remain in their current offices.

Giving workers a choice

Flexible benefit plans put employees at their own helm

By Curtis Vosti

Flexible benefit plans are growing in popularity and flexibility as they strive to meet the needs of a changing work force and cost constraints of employers.

The plans, also known as cafeteria plans because they offer employees a menu of benefit options, are expected to resume growth rates after they leveled off in 1989.

"Cafeteria plans are hot. People are instituting them left and right," said Bob Barry, a managing director with William M. Mercer Inc., Boston, which advises 300 clients on how to design such plans.

"Our work force is changing. The old standard benefit program isn't what everyone wants," he said. "Employees are getting a choice to maximize their benefits."

This year, Mercer helped Massachusetts Mutual Life Insurance Co., Springfield, Mass., establish its flexible benefit program for 5,400 of its employees nationwide.

"It helps people become more aware of cost of benefits," said Peter Feige, vice president of employee benefits at Massachusetts Mutual. "It lets them decide where they can best spend the money. They become active participants, and we're seeing people being very sophisticated in their choices."

With the flexible benefit plans, Mass Mutual was able to increase the number of its health, dental and disability plans, and offer for the first time vision coverage, dependent care and health spending accounts — all at the same cost as the old, standard plan, Mr. Feige said.

With cafeteria plans, a company assigns a set dollar value among various benefit options and gives its employees the opportunity to shop for the best combinations among health care and dental programs, life insurance and other benefits.

Employees often have the option of waiving some coverage in return for taxable cash; according to a Hewitt Associates survey of companies with more than 250 employees that have flex plans, 54% offer this option. Adding vacation time or reducing it in return for cash or other benefits also can be an option.

Cost containment prompted implementation of the flex plans for 58% of the firms, according to the Hewitt survey. Another major reason is to better meet the diverse needs of the work force.

"We saw a need for moving away from the typical package that was designed about 25 years ago," Mr. Feige said. "It opens opportunities for what (employees') needs really are, which change throughout the course of their lives."

According to a 1989 survey by A. Foster Higgins & Co. Inc., Princeton, N.J., of companies with more than 1,000 employees, 79% of the flex plans offered dental care; 78% offered life insurance; 67% offered accidental death and dismemberment; 55% offered long-term disability; 23% offered short-term disability; 29% offered a 401(k) option; 22% offered vision care; 19% offered vacation buying; and 14% offered vacation selling.

Flexible spending accounts, which allow the employee to contribute pre-tax dollars to cover out-of pocket health and/or dependent care costs not otherwise covered, were offered in 78% of the plans.

While the Internal Revenue Service set a $5,000 limit on the amount that can be contributed to dependent care and health accounts per year, employers can set lower limits. The Hewitt survey indicated the average contributions were $2,539 for the dependent care and $573 for the health accounts in 1989.

Proposed regulations in the past two years from the IRS and the repeal of a non-discrimination testing requirement have removed the risks that had delayed implementation of plans by many firms, according to George Faulkner, a consultant with A. Foster Higgins. "In the mid-1980s, there was a lot of uncertainty about Section 125" of the IRS Code, which authorizes flexible benefits, he said. "Under the new rulings, a lot of the uncertainty was resolved."

According to Tim Parsons, an attorney in Denver who helps set up flex plans, the plans reflect cost awareness measures also taking place in the pension field. He spoke recently on flexible benefit plans at the 24th annual Employee Benefits Conference in Hawaii.

"It begins to move away from defined benefit approaches to more of a defined contribution approach," he said. "A company can say to its employees, 'This is how much I can afford for your benefits, and if you want more, you have to pay for it.' "

Mr. Barry said growth in the use of flex plans is spreading from the larger companies to midsized ones, especially because administrative costs have dropped. Five years ago, he said, it cost about $100,000 or more to set up the complex record-keeping system. Now it is down to about $50,000, and with personal computer-based systems for smaller companies, the price can go as low as $20,000.

This lower cost will help increase the impetus for plans, according to Mr. Faulkner. But, he said, the additional possibilities for coverage in areas such as long-term care, funding of retiree health costs and dependent spending accounts, will reflect a changing impetus for establishing the plans.

"In those newer choices, clearly demographics is the driving force, not cost containment," Mr. Faulkner said. ■

Massachusetts Mutual Life was able to offer more with a flexible benefits program established this year for its 5,400 employees.

Cash balance plan settling into niche

By Fred Williams

Cash balance pension plans appear to be gaining acceptance as employee attitudes toward retirement planning evolve.

More than 100 employers have established cash balance plans since the idea was originated by the Fort Lee, N.J., consulting firm of Kwasha Lipton in July 1985 as an alternative to defined benefit plans. Cash balance plans include features of defined contribution plans — individual account statements and portability — but technically are a form of defined benefit plan, with the company pre-funding benefits based on pay and service.

While the response to cash balance plans has not been overwhelming, companies using the approach come from various industries and range in size from large to relatively small.

The first company to adopt cash balance was BankAmerica Corp. in 1985. Since then, other companies such as Chase Manhattan Corp., Continental Can Inc., Equitable Life Assurance Society of the United States, Hershey Foods Corp., Xerox Co., General Signal Corp., Georgia-Pacific Corp. and Borden Inc. have followed suit.

The reason for adopting cash balance usually is not to save money, because the costs depend on the level of benefits the company wishes to provide. One of the most commonly stated reasons is to improve employee relations by providing a plan with individual account statements that are easily understood by employees. Another reason is to reduce or cut back on expenses or benefit packages.

There is "no real financial or economic benefits to the employer" by adopting a cash balance plan, said Vicky Slomiany, a consultant with The Wyatt Co., Minneapolis. "There's no way to say they are cheaper or less expensive."

Pension and employee benefit executives interviewed agreed cost control was not the motivating factor for adopting cash balance.

Stephen V. O'Neill, employee benefits director at Cooper Industries Inc., Houston, said

See **Cash** *on page 40*

Hard times for tax breaks

Advantages lose in simplification

By Hillary Durgin

WASHINGTON — Lump-sum distributions of retirement assets might lose some key tax advantages under a pension simplification bill awaiting congressional action next year.

While the proposed legislation would simplify distribution rules, it also might take two major tax benefits from participants — especially senior management, which also decides how benefit plans are designed.

One measure lawmakers would like to repeal is called five-year forward income averaging: it allows retirees who receive their retirement savings in a lump sum to calculate taxes as if they received the payment over five years rather than all at once.

In addition, the Treasury Department wants to repeal a measure that permits employees who receive a distribution containing company stock, to defer paying taxes on any appreciation of that stock until they sell it.

With the proliferation of employee stock ownership plans and other defined contribution plans, this provision might have a substantial effect on employees taking distributions from any plan that is either totally or partially invested in company stock.

Employers might be unwilling to give up these tax breaks in exchange for rules that would encourage participants to roll over greater portions of their retirement income, said Gerald Uslander, principal with William M. Mercer Inc., Washington.

"If, coupled with (repeal of five-year forward averaging), the tax deferral on net unrealized appreciation were repealed, those two things would really cause some serious concern for big companies," Mr. Uslander said.

The combination of repealing rules on net unrealized appreciation and special forward averaging would have a significant impact on senior management who receive the richest benefits from these breaks because of the heftiness of their distributions.

Some employers, who support the concept of restricting lump-sum distributions to encourage saving for retirement, are concerned that repeal of the special averaging rules could instead discourage such savings. "We would have a concern if it reduced retirement savings," said Ronald D. Hovis, director-benefits, Southwestern Bell Corp., St. Louis. "The majority of the withdrawals from our savings plan are lump withdrawals," he added.

Nevertheless, some consultants and Senate staff say the popular provisions could face elimination in Congress' next session, when lawmakers renew efforts to simplify pension plan rules.

"If there is a simplification effort that goes through the Congress, then repeal of five-year forward averaging is a good candidate for enactment," said Frank McArdle, manager of Hewitt Associates' Washington office.

Lawmakers who introduced legislation last summer that would repeal these rules have argued that under current law, the provisions are complex and costly to the government.

Last year, an estimated 650,000 to 750,000 participants received

See **Taxes** *on page 40*

As part of its report on employee benefit issues and trends, *Pensions & Investments* has compiled a listing of defined contribution plan administrators and software providers. This directory begins on the following pages. All information in the profiles is ©1990 Crain Communications Inc. Reproduction without permission is prohibited.

SERVICES

Ameritas Life Insurance
P.O. Box 81889, Lincoln, Neb. 68501; (402) 467-1122

Clients	250
Average plan size (participants)	45
Median plan size (participants)	10
Administrative services staff	20

Ameritas Life Insurance Corp., a life insurance company, has record-keeping services which can handle nine contribution categories; 64 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participant.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; 800 numbers for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Other services include proposal and plan design, prototype documents; compliance testing; and government reporting.

Software is written internally and purchased from an outside vendor.

Fees are calculated based on plan type, number of employees and number of investments.

Key executives overseeing defined contribution plan administrative services are are Benedict J. Mattem and Roxann Brennfoerder.

Ameritrust Texas
1201 Elm St., Dallas, Texas 75270; (214) 712-3460

Clients	750
Administrative services staff	57

Ameritrust Texas is a bank/trust company.

Among its trustee services, it offers trade-date and settlement date for valuation of assets; multiple sources for pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; weekly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsors and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Other services include acting as trustee, agent, or custodian for corporations sponsoring a broad array of retirement plans and offers master trust, master custody and securities lending services.

Software is purchased from an outside vendor.

Service offices are in Austin, Dallas, Houston, Waco, El Paso, Wichita Falls, Sherman, Corpus Christi, San Antonio and Fort Worth.

Fees are calculated based on a percentage of assets.

Key executives overseeing defined contribution plan administrative services are Frank Dunlap and Susan D. Goudie.

AmSouth Bank
P.O. Box 11426, Birmingham, Ala. 35242; (205) 326-5512

Clients	1200
Average plan size (participants)	300
Median plan size (participants)	500
Administrative services staff	30

AmSouth Bank is a bank.

Among its trustee services, it offers settlement date accounting for valuation of assets; multiple sources for securities pricing; and daily transactions reports.

Its record-keeping services can handle 14 contribution categories; 19 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Software is written internally and purchased from an outside vendor.

Fees are based on a standard pricing schedule.

Key executives overseeing defined contribution plan administrative services are Wally Womack and Lynn Cushing.

Arnold & Co.
1301 W. Long Lake Road, Troy, Mich. 48098-6348; (313) 641-8686

Clients	80
Average plan size (participants)	100
Median plan size (participants)	225
Administrative services staff	12

Arnold & Co. is an employee benefit consulting firm and a third party administrator.

Its record-keeping services can handle 12 contribution categories; 99 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; an 800 number for participant balance inquiries; and coordination with GIC carriers.

Other services include drafting of employee communication workbooks and enrollment seminar material.

Software is purchased from an outside vendor.

Fees are based on number of plan investment options; frequency of plan change; and timing and frequency of plan distributions.

Key executive overseeing defined contribution plan administrative services is Craig C. Arnold.

BancOklahoma Trust Co.
P.O. Box 2300, Tulsa, Okla. 74192; (918) 588-6724

Clients	300
Average plan size (participants)	150
Median plan size (participants)	50
Administrative services staff	52

BancOklahoma Trust Co. is a bank/trust company.

Among its trustee services, it offers full accrual trade-date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record keeping services can handle 10 contribution categories; 30 investment selections; transfers and reallocations among investment funds; fed-

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eral and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Other services include investment management, plan administration, proprietary mutual funds, master trustee, pooled GIC funds, discount brokerage, tax deferred annuities, IRAs, Keoghs, 403(b), 457, 501(c)(9), ESOP plan services, prototype plans and custodial services.

Software is purchased from an outside vendor.

Service offices are in Tulsa and Oklahoma City.

Fees are calculated on the number of participants, number of transactions, special services and base and market value fees where appropriate.

Key executives overseeing defined contribution plan administrative services are Phillip L. Owings and Ellen Helmey.

Bank of America National Trust & Savings Association

1 S. Van Ness Ave., San Francisco, Calif. 94103; (415) 241-7567

Average plan size (participants)	200
Median plan size (participants)	112
Administrative services staff	50

Bank of America National Trust & Savings Association is a bank/trust company.

Among its trustee services, it offers settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include commingled investment funds, a selection of prototype plans including 401(k), profit sharing, and money purchase plans and employee communications and enrollment packages.

Software is purchased from an outside vendor.

Service offices are in San Francisco and Los Angeles.

Fees are calculated on the market value of the account and the services provided (bundled or unbundled).

Key executives overseeing defined contribution plan administrative services are Warren L. Metzger, John S. Marino, Richard A. Rabis and Lauren D. Upson.

Bank of Boston

P.O. Box 1882/MS 45-01-11, Boston, Mass. 02109; (617) 575-2151

Clients	500
Average plan size (participants)	150
Median plan size (participants)	400
Administrative services staff	50

Bank of Boston is a bank.

Among its trustee services, it offers trade-date and settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Administrative services provide coordination of trust and record-keeping activities; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include specialized matrix reporting for 401(k)s.

Trust software is purchased from an outside vendor.

Fees are calculated on market value, transaction charges and portfolio charges.

Key executives overseeing defined contribution plan administrative services are Steve MacQuarrie and John Su[illegible]

Bankers Trust Co.

665 Locust, Des Moines, Iowa 50309; (515) 245-2800

Clients	150
Average plan size (participants)	100
Median plan size (participants)	85
Administrative services staff	[illegible]

Bankers Trust Co. is a bank.

Among its trustee services, it offers settlement-date for valuation of assets; multiple sources for securities pricing and daily transactions reports.

Its record-keeping services can handle seven contribution categories and 10 investment selections; quarterly transfers and reallocations among investment funds; federal tax withholding; loan provisions; and comprehensive reports to plan sponsor and its participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; and coordination with GIC carriers.

Other services include full range of investment services and consulting and testing services for defined contribution plans.

Software is purchased from an outside vendor.

Fees are based on market value and number of participants.

Key executives overseeing defined contribution plan administrative services is William H. Feller.

Bankers Trust Co.

280 Park Ave., New York, N.Y. 10017; (212) 850-2051

Clients	245
Average plan size (participants)	10,300
Median plan size (participants)	2,576
Administrative services staff	530

Bankers Trust Co. is a bank/trust company.

Among its trustee services, it offers trade-date and settlement date accounting for valuation of assets and average cost or tax-lot accounting for either accounting basis; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 40 contribution categories; 99 investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsors and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Other services include investment management; automatic sweep access to multiple cash management funds; brokerage services; investment consulting and analytics; on-line access to global trust accounting and performance; 800-number voice response system for inquiries and transactions; staffed service center for inquiries and transactions; and defined contribution plan design consulting services.

Software is written internally.

Service offices are in New York, Jersey City, Los Angeles and Houston.

Fees are based on services and size and complexity of each plan.

The key executive overseeing defined contribution plan administrative services is Allan Martin.

Bank IV

P.O. Box 4, Wichita, Kan. 67201-0004; (316) 261-4555

Clients	403
Average plan size (participants)	100
Administrative services staff	31

Bank IV is a bank.

Among its trustee services, it offers trade-date, settlement date and tax-lot accounting; multiple sources for securities pricing; daily transaction reports; and securities lending support (sub-contracted).

Its record-keeping services can handle as many contribution categories as needed; six investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsors and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include enrollment meetings and enrollment/change forms for participants.

Software is purchased from an outside vendor.

Service offices are in Wichita, Topeka and Kansas City. Service is also available through nine other Bank IV affiliate trust departments.

Fees are based on market value of accounts and statement frequency.

Key executives overseeing defined contribution plan administrative services are Carroll D. Lawson and Patrick C. Woodward.

New horizons for defined contribution plans: April 1.

Bank One Dayton

40 N. Main St., Dayton, Ohio 45401; (513) 449-8659

Clients	275
Average plan size (participants)	75
Median plan size (participants)	100
Administrative services staff	6

Bank One Dayton is a bank.

Among its trustee services, it offers trade-date accounting; multiple sources for securities pricing; and daily transactions reports.

Its record keeping services can handle four contribution categories; four investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; 800 number for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Software is purchased from an outside vendor.

Fees are based on assets, number of participants and number of allocations per year.

The key executive overseeing defined contribu-

tion plan administrative services is Donald B. Middendorf.

Bank One Trust & Asset Management Group

111 Monument Circle, Indianapolis, Ind. 46277; (317) 321-8151

Clients	400
Administrative services staff	8

Bank One Trust & Asset Management Group is a bank/trust company.

Among its trustee services, it offers trade-date and settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports and securities lending support.

Its record keeping services can handle four contribution categories; 10 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsors and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Software is purchased from an outside vendor.

Services offices are in Indianapolis, Bloomington, Crawfordsville, Franklin, Lafayette, Marion, Merrillville, New Castle, Plainfield and Richmond.

Fees are calculated based on the market value of accounts; service charges are done on a per transaction basis.

Key executives overseeing defined contribution plan administrative services are William R. Murphy and Karen L. Chambers.

Bank One Trust Co.

100 E. Broad St., Columbus, Ohio 43271-0193; (614) 248-5724

Average plan size (participants)	100
Administrative services staff	8

Bank One Trust Co. is a bank/trust company.

Among its trustee services, it offers settlement date accounting for valuation of assets; multiple sources for securities pricing; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 10 investment selections; transfers per trust agreement and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to participants and plan sponsors.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; and proxy voting and tabulation services.

Other services include prototype defined contribution plans; investment management services; and custodial services.

Fees are based on market value of the plan.

The key executive overseeing defined contribution plan administrative is H. Herbert Schupp.

BayBanks Inc.

7 New England Executive Park, Burlington, Mass. 06803; (617) 243-3591

Clients	200
Average plan size (participants)	800
Median plan size (participants)	100
Administrative services staff	24

BayBanks Inc. is a bank.

Among its trustee services, it offers settlement date accounting for valuation of assets; multiple sources for securities pricing; and daily transactions reports.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include defined benefit plans, pension payment services, investment management and Keogh plan administration.

Software is purchased from an outside vendor.

Service offices are in Burlington and Springfield.

Fees are based on market value of assets and record-keeping services.

The key executive overseeing defined contribution plan administrative services is Elaine D. Mahoney.

RA Bench

1200 Fifth Ave., Suite 1200, Seattle, Wash. 98101-9810; (206) 682-7803

Clients	100
Average plan size (participants)	400
Median plan size (participants)	100
Administrative services staff	10

RA Bench is a third-party administrator.

Its record-keeping services can handle nine contribution categories and unlimited investment selections; quarterly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Other services include flexible benefit administration - Section 125, Section 457 and deferred compensation plans.

Software is purchased from an outside vendor.

Fees are based on number of investments offered and frequency of participant statements.

The key executive overseeing defined contribution plan administrative services is Rodney Bench.

Benefit Concepts Inc. of Rhode Island

396 Wampanoag Trail, E. Providence, R.I. 02915; (401) 438-7100

Clients	250
Average plan size (participants)	100
Median plan size (participants)	75
Administrative services staff	10

Benefit Concepts Inc. of Rhode Island is a employee benefit consulting firm.

Its record-keeping services can handle an unlimited number of contribution categories and investment selections; per plan transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; and coordination with GIC carriers.

Other services include plan design document preparation, communication, COBRA and flexible benefit plan administration.

Service offices are in Providence, Hartford, Boston and New York.

Software is purchased from an outside vendor.

Fees are calculated on a flat fee and participant fee basis based upon plan type and design.

Key executives overseeing defined contribution plan administrative services are Margaret Lemieux and F. Jay Hoder.

Boatmen's Trust Co.

100 N. Broadway, St. Louis, Mo. 63102; (314) 466-3800

Clients	187
Average plan size (participants)	602
Median plan size (participants)	115
Administrative services staff	87

Boatmen's Trust Co. is a bank/trust company.

Among its trustee services, it offers trade-date and settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record keeping services can handle 10 contribution categories; 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participant's balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; 800 number for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Other services include plan development and installation; employee communications, discrimination testing, benefit payments; performance measurement; and securities lending and investment management.

Software is purchased from an outside vendor.

Service offices are in St. Louis and Kansas City, Mo.

Fees are based on market value, number of participants and special services.

Key executives overseeing defined contribution plan administrative services are Rollin Woltjen, Lyle Brizendine, Steven Faries, Michael Patton, Gregory Reynders, Anthony Brown and Christopher Drazen.

Boston Safe Deposit and Trust Co.

1 Boston Place, Boston, Mass. 02108; (617) 722-7000

Clients	19
Average plan size (participants)	2,500
Median plan size (participants)	2,000
Administrative services staff	25

Boston Safe Deposit and Trust Co. is a bank/trust company.

Among its trustee services, it offers trade-date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsors and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Other services include 401(k) discrimination testing, benefit disbursement services and investment management services.

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Software is purchased from an outside vendor.

Service offices are in Boston, New York, San Francisco, Newport Beach, Los Angeles, Palo Alto and London.

Fees are calculated based on number of participants and frequency of valuation.

The key executive overseeing defined contribution plan administrative services is Robert Uriano.

C&S/Sovran Trust Co. Inc.

33 North Ave., Suite 900, Atlanta, Ga. 30308; (404) 397-3101

Clients	2,317
Average plan size (participants)	96
Median plan size (participants)	65
Administrative services staff	136

C&S/Sovran Trust Co. Inc. is a bank/trust company.

Among its trustee services, it offers trade-date and settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 99 contribution categories; 99 investment selections; monthly monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsors and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; and coordination with GIC carriers.

Other services include employee communications/benefits consulting, portfolio evaluation services, master trust services and investment management services.

Software is purchased from an outside vendor.

Service offices are in Atlanta, Bethesda, Columbia, Nashville, Norfolk, Richmond, Roanoke, St. Petersburg and Washington.

Fees are based on asset value and number of participants.

Key executives overseeing defined contribution plan administrative services are John H. Yost, Andrew L. Robinson, Bob O'Brien, Virgil Satchwell, Barry Babish, Frank Bulloch and Wilson Ellis.

Chemical Bank

55 Water St., New York, N.Y. 10041; (212) 820-5137

Clients	112
Average plan size (participants)	800
Administrative services staff	7

Chemical Bank is a bank.

Among its trustee services, it offers trade-date, settlement date and tax-lot accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Administrative services provide coordination of trust and record-keeping activities; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services provided are master trust, master custody, global custody, securities lending and directed trust and on-line access to portfolios.

Software is written internally.

Fees are based on transactions, reporting requirements and relationship complexity.

The key executive overseeing defined contribution plan administrative services is David Hutton.

Chernoff Diamond & Co.

1157 Willis Ave., Albertson, N.Y. 11507; (516) 484-2828

Clients	250
Average plan size (participants)	100
Median plan size (participants)	100
Administrative services staff	9

Chernoff Diamond & Co. is an employee benefit consulting firm.

Its record-keeping services can handle 28 contribution categories; 28 investment selections; quarterly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsors and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; and coordination with GIC carriers.

Other services include actuarial services, defined benefit plan administration, life and health insurance services.

Software is purchased from an outside vendor.

Fees are based on a combination of a fee schedule and hourly rates.

Key executives overseeing defined contribution plan administrative services are Benjamin Feller and David Yackel.

Chicago Title & Trust

111 W. Washington, Chicago, Ill. 60602; (312) 630-3414

Clients	211
Average plan size (participants)	196
Median plan size (participants)	103
Administrative services staff	50

Chicago Title & Trust is a bank/trust company.

Among its trustee services, it offers trade-date accounting for valuation of assets and multiple sources for securities pricing.

Its record-keeping services can handle 10 contribution categories; 10 investment selections; monthly transfers and reallocations among investment funds; federal tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include investment management, plan design and communications.

Software is purchased from an outside vendor.

Fees are based on assets and record-keeping services.

Key executives overseeing defined contribution plan administrative services are Dan Joyce and Andy Mayo.

Citibank

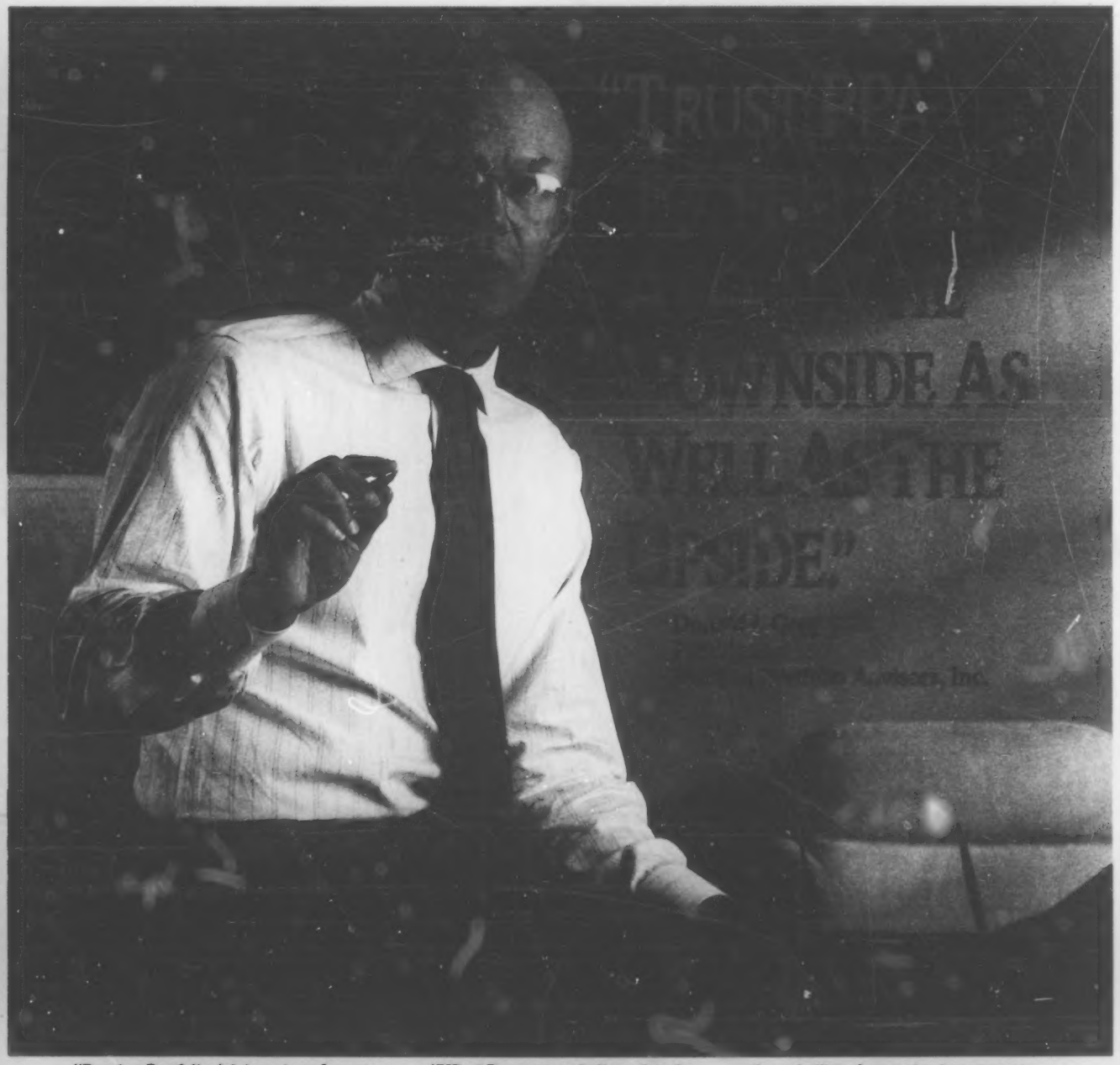
1 Court Square, Long Island City, N.Y. 11120; (718) 248-4347

Clients	96
Average plan size (participants)	4,236
Median plan size (participants)	700
Administrative services staff	22

Citibank is a bank.

Among its trustee services, it offers trade-date, settlement date and tax-lot accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle unlimited contribution categories and investment selections;



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daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; 800 number for participant balance inquiries; and coordination with GIC carriers.

Software is purchased from an outside vendor.

Service offices are in New York and San Francisco.

Record-keeping fees are based on frequency of valuations, number of participants and plan complexity. Trustee fees are based on assets and number of portfolios.

Key executives overseeing defined contribution plan administrative services are Raymond Parodi, Denis Farrell, Helen Connealy, John McCoy and Amelia Soto.

Comerica Bank
211 W. Fort St., Detroit, Mich. 48275-1035; (313) 222-5056

Clients	400
Average plan size (participants)	350
Median plan size (participants)	420
Administrative services staff	45

Comerica Bank is a bank.

Among its trustee services, it offers settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; monthly/quarterly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include participant communication program; and communication to plan sponsor quarterly on-line capability.

Software is purchased from an outside vendor.

Fees are based on market value of assets and number of participants, funds and valuations.

The key executive overseeing defined contribution plan administrative services is John B. Barth.

Commerce Bank of Kansas City
922 Walnut, Kansas City, Mo. 64141; (816) 234-2506

Clients	365
Average plan size (participants)	50
Median plan size (participants)	65
Administrative services staff	35

Commerce Bank of Kansas City is a bank.

Among its trustee services, it offers settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports and securities lending support.

Its record-keeping services can handle unlimited contribution categories and investment selections; transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and to participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; and an 800 number for participant transactions.

Other services include asset management and custody.

Software is purchased from an outside vendor.

Fees are on basis of market value and number of participants.

Key executives overseeing defined contribution plan administrative services are Mike Marlow and John Owen.

Connecticut Bank & Trust
1 Constitution Plaza, Hartford, Conn. 06115; (203) 224-4876

Clients	230
Average plan size (participants)	300
Median plan size (participants)	250
Administrative services staff	50

Connecticut Bank & Trust Co. is a bank/trust company.

Among its trustee services, it offers settlement date accounting for valuation of assets; multiple sources for securities reports; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; proxy voting and tabulation services; and coordination with GIC carriers.

Other services provided are discrimination testing, disbursement services, loan processing and investment performance measurement.

Software is purchased from an outside vendor.

Service offices are in Hartford and Stamford.

Fees are based on the number of participants, assets and services provided.

The key executive overseeing defined contribution plan administrative services is Thomas Fenton.

Continental Bank
231 S. LaSalle St., Chicago, Ill. 60697; (312) 828-3560

Clients	126
Administrative services staff	15

Continental Bank is a bank.

Among its trustee services, it offers trade-date, settlement date and tax-lot accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Administrative services provide filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include GIC fund, automated sweep to STIF, multiple plan accounting, benefit payments, annual ERISA reporting, comparative performance measurement and global custody and reporting.

Software is written internally and purchased from an outside vendor.

Fees are based on the market value of assets, transactions and services required.

Key executives overseeing defined contribution plan administrative services are James J. Nemec and Patrick C. Lynch.

Dyatron Corp.
210 Automation Way, Birmingham, Ala. 35210; (205) 956-7700

Clients	300
Average plan size (participants)	2,000
Median plan size (participants)	1,500
Administrative services staff	50

Dyatron Corp. is a third-party administrator.

Its record-keeping services can handle 35 contribution categories; unlimited investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; 800 numbers for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Other services include consulting services, disbursements and voice response systems.

Software is written internally.

Fees are based on valuation frequency plus ancillary services.

Key executives overseeing defined contribution plan administrative services are Philip M. Woolweaver and Ray Davis.

Fidelity Institutional Retirement Services
82 Devonshire St., Boston, Mass. 02109; (617) 570-7000

Clients	2,000
Average plan size (participants)	1,300
Median plan size (participants)	600
Administrative services staff	300

Fidelity Institutional Retirement Services Co. is a mutual fund company.

Among its trustee services, it offers trade-date accounting for valuation of assets; multiple sources for securities pricing; and daily transactions reports upon request.

Its record-keeping services can handle nine contribution categories; 150 investment selections; transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsors and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and participant transactions; and coordination with GIC carriers.

Other services include provide daily valuation, telephone exchange, broad investment services, full service communication program and trustee services.

Software is written internally.

Service offices are in Boston, Cincinnati and Dallas.

Fees are based on the number of participants and plan profile.

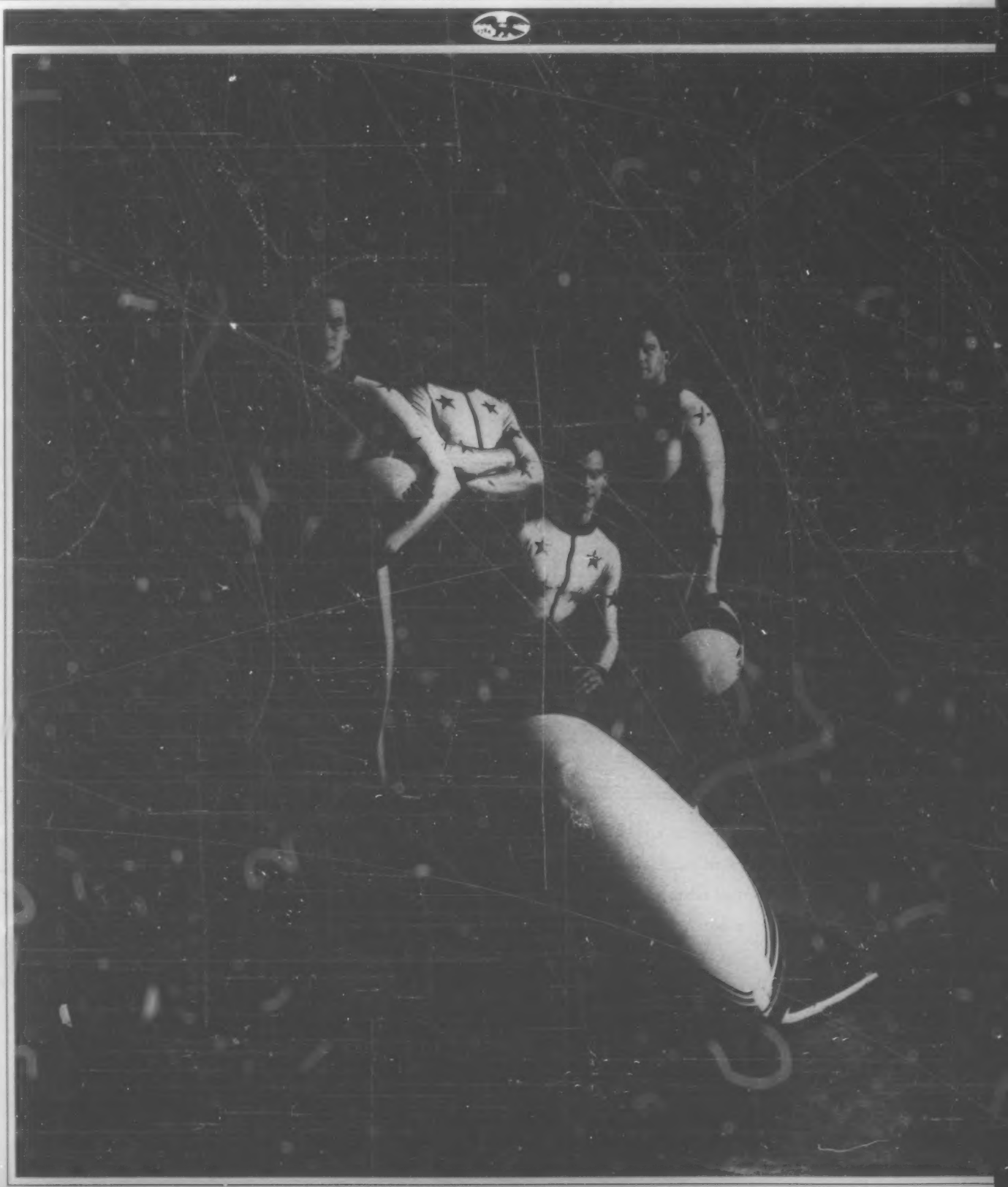
Key executives overseeing defined contribution plan administrative services are Bob Reynolds, Mike Minac, Peter Smail and James Bowlers.

Fidelity — Tax-Exempt Services
82 Devonshire St., Boston, Mass. 02109; (617) 570-7000

Clients	500
Average plan size (participants)	240
Median plan size (participants)	200
Administrative services staff	120

Fidelity — Tax-Exempt Services is a mutual fund company.

Among its trustee services, it offers trade-date



INVESTORS

Hellman & Friedman Capital Partners has purchased an 18 percent equity interest in Great American from Equity Holdings Limited, a partnership controlled by Samuel Zell.

Great American is a diversified manufacturing, agricultural chemicals and financial services company with approximately $2 billion in revenues.

The undersigned negotiated this transaction.

An investor group, including a management team led by John Thorbeck, has acquired substantially all of the assets of The Geo. E. Keith Company, "makers of fine quality shoes for over 200 years."

The undersigned negotiated and structured this transaction and Hellman & Friedman Capital Partners is the lead equity investor.

FINANCIAL ADVISORS

The Clorox Company

has acquired the Household Products Business of

American Cyanamid Company

including Pine Sol liquid cleaners and Combat household insecticides.

The undersigned acted as financial advisor to The Clorox Company in this transaction.

Esprit de Corp., a leading sportswear manufacturer, has been acquired by

SFO Holdings Inc.

a corporation formed by Susie Tompkins, Isaac Stein, Bruce Katz and Esprit de Corp. Ltd. (H.K.).

The undersigned acted as financial advisor to Susie Tompkins and SFO Holdings Inc., and assisted in negotiating and structuring this transaction and in arranging financing.

Hellman & Friedman is a private investment banking partnership which manages Hellman & Friedman Capital Partners, a $327 million special situation investment fund, and provides financial advisory services, with particular emphasis on mergers, acquisitions and restructurings. We focus on working with outstanding management teams, particularly in family-controlled public and private companies and in unusually complex situations, where our investment experience, financial expertise and capital can add significant value.

HELLMAN & FRIEDMAN

November 27, 1990

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First Wachovia Trust Services

301 N. Main St., Winston-Salem, N.C. 27150; (919) 770-5833

Clients	431
Average plan size (participants)	2,189
Median plan size (participants)	931
Administrative services staff	293

First Wachovia Trust Services is a bank/trust company.

Among its trustee services, it offers settlement date accounting for valuation of assets; multiple sources for securities pricing; and securities lending support.

Its record-keeping services can handle unlimited contribution categories and investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries; and coordination with GIC services.

Other services include company stock accounting (share), multiple manager processing, custom statement/report design, transaction-based processing and master trust accounting.

Software is purchased from an outside vendor.

Service offices are in Winston-Salem and Atlanta.

Fees are based on the number of participants/fund and asset value.

The key executive overseeing defined contribution plan administrative services is Hevin E. Adams.

First Wisconsin Trust Co.

777 E. Wisconsin, Milwaukee, Wis. 53202; (414) 765-4444

Clients	656
Average plan size (participants)	300
Administrative services staff	17

First Wisconsin Trust Co. is a trust company.

Among its trustee services, it offers trade-date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include administration, investment management, securities lending, on-line access, custodial services and performance measurement.

Software is purchased from an outside vendor.

Service offices are in Milwaukee, Green Bay, Appleton, Wausau and Sheboygan; Chicago; West Palm Beach, Fla.; Stillwater, Minneapolis and St. Paul, Minn.; and Phoenix, Ariz.

Fees are calculated per participant and are based on time and complexity involved.

The key executive overseeing defined contribution plan administrative services is Rick Handler.

Fleet/Norstar Employee Benefit Services Inc.

Peter D. Kiernan Plaza, Albany, N.Y. 12207; (518) 447-2373

Clients	840
Average plan size (participants)	100
Median plan size (participants)	75
Administrative services staff	40

Fleet/Norstar Employee Benefit Services Inc. is an employee benefit consulting firm.

Among its trustee services, it offers (through Norstar Trust Co.) settlement date accounting for valuation of assets; multiple sources for securities pricing; and daily transactions reports.

Its record-keeping services can handle 30 contribution categories; 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms; support for dividend re-investment program; limited proxy voting and tabulation services; and coordination with GIC carriers.

Other services include investment management available through Fleet/Norstar Investment Advisors; plan design: actuarial consulting; paying agency and custodial.

Software is purchased from an outside vendor.

Service offices are in Albany, Providence, Rochester and Buffalo.

Fees are based on hourly rates and set fees.

Key executives overseeing defined contribution plan administrative services are Ken Altman, Ed Brown, Lou Bloom, Roscoe Haynes and Gus Ptatas.

Godwins Inc.

549 Pleasantville Road, Briarcliff, N.Y. 10510; (914) 747-2002

Administrative services staff	55

Godwins Inc. is an employee benefit consulting firm.

Its record-keeping services can handle 15 contribution categories; 10 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; 800 numbers for participant balance inquiries; and coordination with GIC carriers.

Software is purchased from an outside vendor.

Service offices are nationwide.

Fees are calculated based on the number of participants, complexity of plan, valuation frequency, time and expense.

Key executive overseeing defined contribution plan administrative services is Michael W. Dunigan.

Harris Trust & Savings Bank

111 W. Monroe, Chicago, Ill. 60690; (312) 461-2121

Clients	120
Average plan size (participants)	3,000
Median plan size (participants)	300
Administrative services staff	30

Harris Trust & Savings Bank is a bank.

Among its trustee services, it offers trade date, settlement date and tax-lot accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle unlimited contribution categories; unlimited investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include consulting services in plan design, employee communication, form preparation, problem solving, efficiency studies, discrimination testing alternatives and projections and administration training and documentation.

Software is purchased from an outside vendor.

Fees are calculated based on the number of funds offered, the number of participants and the number of sources of contribution in the plan.

Key executives overseeing defined contribution plan administrative services are Jon S. Brightman, Nancy B. Wolcott and Carolyn J. Faehling.

Hay/Huggins Co. Inc.

229 S. 18th St., Philadelphia, Pa. 19103; (215) 875-2300

Clients	29
Average plan size (participants)	1,200
Median plan size (participants)	525
Administrative services staff	15

Hay/Huggins Co. Inc. is an employee benefit consulting firm.

Its record-keeping services can handle 20 contribution categories and 20 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping services; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include plan consulting, compliance and legal services, communication services, enrollment service, discrimination testing and plan limitation testing.

Software is written internally.

Service offices also are in New York and Los Angeles.

Administration fees are bundled based on a per participant fee; consulting, compliance and communication fees are based on time and expense.

Key executive overseeing defined contribution plan administrative services is Robert Liotto.

Hazlehurst & Associates Inc.

400 Perimeter Center Terrace, Suite 850, Atlanta, Ga. 30346; (404) 395-9880

Clients	129
Average plan size (participants)	2,973
Median plan size (participants)	2,875
Administrative services staff	65

Hazlehurst & Associates Inc. is an employee benefit consulting firm.

Its record-keeping services can handle 10 contribution categories and 8 investment selections; transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; an 800 number for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services provided are actuarial, consulting, plan design, communication, compliance testing and custom software.

Software is written internally.

A service office also is in Seattle.

Fees are calculated based on number of participants, time and expense.

Key executive overseeing defined contribution plan administrative services is T. Ray McKinney.

Hewitt Associates

100 Half Day Road, Lincolnshire, Ill. 60069; (708) 295-5000

Clients	250
Average plan size (participants)	5,500
Administrative services staff	400

Hewitt Associates is an employee benefit consulting firm.

Its record-keeping services can handle 20 contribution categories and 15 investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; assistance with filing of necessary tax forms with government agencies; support for dividend re-investment program; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include comprehensive interactive administration; investment manager evaluation and selection; and employee communication.

Software is written internally.

Service offices also are in Atlanta; Bedminster, N.J.; Rowayton, Conn.; Santa Ana, Calif.; Walnut Creek, Calif.; The Woodlands, Texas; and Toronto.

Fees are calculated based on number of participants, complexity of plan, time and expenses, and frequency of valuations.

Key executive overseeing defined contribution plan administrative services is Gail Kellogg.

Hibernia National Bank

P.O. Box 61540, New Orleans, La. 70161; (504) 586-5542

Clients	245
Average plan size (participants)	35
Median plan size (participants)	50
Administrative services staff	26

Hibernia National Bank is a bank.

Among its trustee services, it offers trade-date accounting for valuation of assets; daily transactions reports; and securities lending support.

Its record-keeping services can handle 8 contribution categories and 20 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; proxy voting and tabulation services; and coordination with GIC carriers.

Software is purchased from an outside vendor.

Service offices also are in Baton Rouge, La., and Dallas.

Fees are calculated based on the number of participants for record-keeping services and investment shifts and hourly rates for government filings.

Key executives overseeing defined contribution plan administrative services are Ben R. Byers and Teresa L. Montgomery.

Holzman Post Ludwig & Schwartz Chtd.

125 S. Wilke Road, Arlington Heights, Ill. 60005; (708) 392-2999

Clients	700
Average plan size (participants)	50
Median plan size (participants)	30
Administrative services staff	16

Holzman Post Ludwig & Schwartz Chtd. is a employee benefit consulting firm.

Its record-keeping services can handle 5 contribution categories and 5 investment selections; up to quarterly transfers and reallocations among investment funds; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; and coordination with GIC carriers.

Other services include design consultations, plan documents, employee communications, coordination with other plans and actuarial calculations.

Software is written internally.

Fees are calculated on complexity of plan, number of participants, frequency of valuations, types of investments, time and expenses.

Key executives overseeing defined contribution plan administrative services are George F. Castello, Mark Schwartz, Ira A. Post and William C. Ludwig.

Kwasha Lipton

2100 N. Central Road, Fort Lee, N.J. 07024; (201) 592-1300

Clients	150
Average plan size (participants)	4,000
Median plan size (participants)	3,000
Administrative services staff	65

Kwasha Lipton is an employee benefit consulting firm.

Its record-keeping services can handle 16 contribution categories and 99 investment selections; transfers on demand and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include special management reports and special employee communications.

Software is written internally.

Fees are calculated based on estimated work.

Key executive overseeing defined contribution plan administrative services is Sheila Berkman-Rodbell.

LaSalle National Trust

135 S. LaSalle St., Chicago, Ill. 60603; (312) 443-2480

Clients	250
Average plan size (participants)	300
Median plan size (participants)	150
Administrative services staff	30

LaSalle National Trust is a trust company.

Among its trustee services, it offers trade-date, settlement date and tax-lot accounting; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle unlimited contribution categories and investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include pooled investment funds.

Service offices are in the Midwest and on the West Coast.

Software is purchased from an outside vendor.

Fees for trustee services are based on assets; fees for participant record-keeping are based on number of funds and frequency of reporting.

Key executives overseeing defined contribution plan administrative services are William Kusar, Linda Ralston and Linda Porcher.

Liberty National Bank of Louisville

P.O. Box 32500, Louisville, Ky. 40232; (502) 566-2038

Clients	200
Average plan size (participants)	75
Median plan size (participants)	35
Administrative services staff	6

Liberty National Bank of Louisville is a bank.

Among its trustee services it offers settlement date and tax-lot accounting and multiple sources for securities pricing.

Its record-keeping services can handle 10 contribution categories and 10 investment selections; monthly transfers and reallocations among investment funds; federal tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include start-up assistance for 401(k) plans.

Software is purchased from an outside vendor.

Fees are based on activity and number of participants.

Key executive overseeing defined contribution plan administrative services is LuAnn Epperson.

Malden Trust Co.

94 Pleasant St., Malden, Mass. 02148; (617) 321-1111

Clients	40
Average plan size (participants)	30
Administrative services staff	6

Malden Trust Co. is a trust company.

Among its trustee services, it offers tax-lot accounting; multiple sources for securities pricing; and daily transaction reports.

Its record-keeping services can handle 10 contribution categories and 10 investment selections; flexible transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; and filing of necessary tax forms with government agencies.

Other services include administrative testing and tax form preparation.

Software is purchased from an outside vendor.

Fees are based on plan size, activity and reporting frequency.

Key executives overseeing defined contribution plan administrative services are Herbert E. Claflin and Sam Banov.

Manufacturers Hanover Trust

450 W. 33rd St., New York, N.Y. 10001; (212) 613-7950

Clients	105
Average plan size (participants)	8,000
Median plan size (participants)	3,000
Administrative services staff	30

Manufacturers Hanover Trust is a trust company.

Among its trustee services, it offers trade-date, settlement date and tax-lot accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 35 contribution categories and 100 investment selections; transfer and reallocations among investment funds as frequently as needed; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include employee communications, prototype plans, investment management and benefit payments.

Software is purchased from an outside vendor.

Trustee fees are based on number of investment funds and market value; record-keeping fees are based on the number of processing cycles, participants and special services.

Key executives overseeing defined contribution plan administrative services are Eugene Bacich and Thomas Cooney.

Manufacturers National Bank of Detroit

411 W. Lafayette, Detroit, Mich. 48226; (313) 222-4000

Clients	780
Average plan size (participants)	170
Median plan size (participants)	150
Administrative services staff	211

Manufacturers National Bank of Detroit is a bank.

Among its trustee services, it offers settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports and securities lending support.

Its record-keeping services can handle 9 contribution categories and 25 investment selections; quarterly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include discrimination testing and flexibility in receiving information from clients.

Software is purchased from an outside vendor.

Fees are based on the number of participants.

Key executives overseeing defined contribution plan administrative services are Steve Hawkins, John Ronald, Rose Pelot, Mike Mudge and Tom Eardley.

Marine Midland Bank

250 Park Ave., New York, N.Y. 10177; (212) 563-2724

Clients	115
Average plan size (participants)	300
Median plan size (participants)	700
Administrative services staff	70

Marine Midland Bank is a bank.

Among its trustee services, it offers trade-date, settlement date and tax-lot accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories and 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include investment management and benefit payments.

Software is purchased from an outside vendor.

Fees are based on the size and complexity of plan.

Key executives overseeing defined contribution plan administrative services are Moira Patterson, James Esposito, Stephen J. Hartman and Ken Sniatecki.

Marshall & Ilsley Trust Co.

770 N. Water St., Milwaukee, Wis. 53202; (414) 287-7187

Clients	455
Average plan size (participants)	355
Median plan size (participants)	100
Administrative services staff	85

Marshall & Ilsley Trust Co. is a trust company.

Among its trustee services, it offers settlement date accounting; one source for securities pricing; and on-line daily transactions reports.

Its record-keeping services can handle 99 contribution categories and 99 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC

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carriers.

Other services include non-discrimination and 415 testing and on-line access to participant, payment and trust account information.

Service offices also are in Naples, Fla., and Phoenix, Ariz.

Software is purchased from an outside vendor and written internally.

Record-keeping fees are based on number of sources, frequency of allocation and number of participants; trustee fees are based on a combination of market value and service-based fees.

Key executive overseeing defined contribution plan administrative services is Morry L. Birnbaum.

Mellon Bank

1 Mellon Bank Center, Pittsburgh, Pa. 15258; (412) 234-1336

Clients	166
Administrative services staff	65

Mellon Bank is a bank.

Among its trustee services, it offers trade-date and tax-lot accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle unlimited contribution categories and investment selections; transfers and reallocations among investment funds on demand; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include on-line inquiry for participant and investment data, plan design, consulting, communications and telephone access to participant accounts.

Software is written internally for the trust system and purchased from an outside vendor for the record-keeping system.

Service offices also are in Philadelphia, Harrisburg, Pa., and San Francisco.

Trustee fees are based on assets and number of accounts and transactions; record-keeping fees are based on number of participants and plan complexity.

Key executives overseeing defined contribution plan administrative services are James D. Kohley and Richard S. Thomas.

Financing and investing in emerging markets: March 4.

Mercantile Bank of St. Louis

P.O. Box 387, St. Louis, Mo. 63166; (314) 425-1782

Clients	450
Average plan size (participants)	178
Median plan size (participants)	25
Administrative services staff	33

Mercantile Bank of St. Louis is a bank.

Among its trustee services, it offers tax-lot accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 35 contribution categories and 99 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include ESOP administration and record keeping; mutual funds; and custom participant certificate design.

Software is purchased from an outside vendor.

Investment fees are based on market value; record-keeping fees are based on the number of participants and investment funds.

Key executives overseeing defined contribution plan administrative services are Doug Foxx, Pat Withers and Bob Byrne.

When Burroughs And Sperry Merged Into Unisys, Which Master Trustee Did They Bring On Line?

UNISYS

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This all makes for timely and accurate reporting. With information more easily retrievable for Unisys, through our on-line data base. And it means portfolio changes are handled and settled smoothly, because our good working rapport with Unisys' investment managers eliminates operational hindrances. Maybe that's why Harris Bank is one of the favorite trustees among investment managers.

Why not find out how the Harris Bank team approach to Master Trust could help your company. Call our Marketing Representative at (312) 461-7956.

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William M. Mercer Inc.

1166 Avenue of the Americas, New York, N.Y. 10036; (212) 345-7584

Clients	5,000
Average plan size (participants)	1,000
Median plan size (participants)	1,000
Administrative services staff	600

William M. Mercer Inc. is an employee benefit consulting firm.

Its record-keeping services can handle unlimited contribution categories and 30 investment selections; one transfer and reallocation among investment funds per cycle; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping services; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include plan design and communication and selection of investment managers.

Software is written internally.

Service offices are located nationwide.

Fees are based on number of participants; complexity of plan; time and expense; and valuation frequency.

Key executives overseeing defined contribution plan administrative services are Daniel H. Jackson, Daniel L. Klein, Robert B. Aglira, Kathleen P. Lamb, W. Kenneth Lutz and Daniel L. Zegibe.

Merrill Lynch

800 Scudders Mill Road, Plainsboro, N.J. 08536; (609) 282-2233

Merrill Lynch, a financial services and brokerage company, offers trustee services.

Its record-keeping services can handle multiple contribution categories and investment selections; daily transfers and reallocations among investment funds; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances. Federal and state tax withholding also is offered if the firm acts as trustee.

Administrative services provide an 800 number for participant balance inquiries and daily transactions and coordination with the firm's GIC carriers. Coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; and proxy voting and tabulation services also is offered if the firm acts as trustee.

Software is provided by an outside vendor.

Michigan National Bank

P.O. Box 9065; Farmington Hills, Mich. 48333-9065; (313) 473-3550

Clients	300
Average plan size (participants)	75
Administrative services staff	19

Michigan National Bank is a bank.

Among its trustee services, it offers trade-date and settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories and 10 investment selections; quarterly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; an 800 number for participant balance inquiries; and coordination with GIC carriers.

Other services include customized participant statements and investment management.

Software is purchased from an outside vendor.

Service offices also are in Grand Rapids and Lansing.

Fees are based on assets or transactions depending on type of account.

Key executive overseeing defined contribution plan administrative services is Robert Howard.

Midlantic National Bank

Metro Park Plaza, Edison, N.J. 08818; (201) 321-8382

Clients	150
Average plan size (participants)	120
Median plan size (participants)	200
Administrative services staff	13

Midlantic National Bank is a bank.

Among its trustee services, it offers trade-date accounting for valuation of assets; multiple sources for securities pricing; and daily transactions reports.

Its record-keeping services can handle 9 contribution categories and 15 investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; 800 number for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include mutual funds; master plan; and employee communication.

Software is purchased from an outside vendor.

A service office also is in Mt. Laurel, N.J.

Fees are based on contribution types, frequency of reporting, and number of investment options.

Key executives overseeing defined contribution plan administrative services are Louis Cozens and Carole Finnegan.

Mitchell & Hartmann Inc.

13400 Riverside Drive, Sherman Oaks, Calif. 91423, (818) 907-6800

Clients	125
Average plan size (participants)	60
Median plan size (participants)	30
Administrative services staff	5

Mitchell & Hartmann Inc. is an employee benefit consulting firm.

Its record-keeping services can handle 8 contribution categories and 6 investment selections; unlimited transfers and reallocations among investment funds; loan provisions; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; and filing of necessary tax forms with government agencies.

Other services include benefits consulting.

Service offices also are in Los Angeles.

Software is purchased from an outside vendor.

Fees are based on time and expenses.

Key executives overseeing defined contribution plan administrative services are Lawrence Mitchell and Jeffrey F. Hartmann.

National Benefit Consultants

28800 Orchard Lake Road, Suite 210, Farmington Hills, Mich. 48334; (313) 932-4020

Clients	69
Average plan size (participants)	70
Median plan size (participants)	50
Administrative services staff	6

National Benefit Consultants Inc. is an employee benefit consulting firm and a third-party administrator.

Its record-keeping services can handle 99 contribution categories; 99 investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include plan design, enrollment meetings, all IRS compliance and governmental filings, trust asset accounting, and termination and hardship distributions.

Software is written internally.

Fees are calculated using a base fee plus a per-participant fee; special services on a time and charges basis.

Key executives overseeing defined contribution plan administrative services are Michael T. Stacey, Cynthia A. Suszek and Howard Weiman.

National City Bank

1900 E. Ninth St., Cleveland, Ohio 44114; (216) 575-2686

Clients	197
Average plan size (participants)	400
Median plan size (participants)	86
Administrative services staff	36

National City Bank is a bank.

Among its trustee services, it offers settlement date accounting; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle variable contribution categories; variable investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers. It is in the process of establishing 800 numbers for participant balance inquiries and transactions.

Other services include investment management, prototype plan documents, employee plan promotion material and seminars.

Software is written internally.

Other service offices are in Louisville, Ky., and in Ohio in Columbus, Toledo, Dayton and Akron.

Fees are calculated based on asset value and number of participants.

Key executives overseeing defined contribution plan administrative services are E.J. Elowski Jr., William F. Barrott and R. Kent Ludwig.

NCNB

1 NCNB Plaza T10-10, Charlotte, N.C. 28255; (704) 386-5115

Clients	675
Average plan size (participants)	100
Median plan size (participants)	150
Administrative services staff	75

NCNB is a bank.

Among its trustee services, it offers trade-date, settlement-date and tax-lot accounting; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 40 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Software is purchased from an outside vendor.

Service offices also are in Raleigh, N.C.; Columbia, S.C.; and Tampa.

Fees are calculated based on the number of participants and plan complexity.

Key executives overseeing defined contribution plan administrative services are Merwyn Rogers, Frank Frazzitta, Kay Cooper and James Jackson.

Noble Lowndes

33 Evergreen Place, East Orange, N.J. 07019; (201) 675-8900

Clients	4,300
Average plan size (participants)	375
Median plan size (participants)	500
Administrative services staff	90

Noble Lowndes is an employee benefit consulting firm.

Its record-keeping services can handle 10 contribution categories and 30 investment selections; transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping services; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include comprehensive employee consulting; administration for pension and retirement plans, group health and welfare benefits, compensation; asset consulting; and employee communications.

Software is purchased from an outside vendor.

Service offices also are in Chicago; Garden City, N.Y.; New York; Philadelphia; Langhorne, Pa.; San Francisco; Atlanta; Washington; Dover, Del.; Boston and the United Kingdom.

Fees are calculated based on time and expenses.

Key executives overseeing defined contribution plan administrative services are R. Theodore Benna, Kenneth Hunt and Robert Panepinto.

North Central Trust

311 Main St., La Crosse, Wis. 54601; (608) 782-1148

Clients	115
Average plan size (participants)	133
Median plan size (participants)	17
Administrative services staff	4

North Central Trust Co. is a trust company.

Among its trustee services, it offers settlement-date accounting; multiple sources for securities pricing; and daily transactions reports.

Its record-keeping services can handle 10 contribution categories and 10 investment selections; quarterly transfers and reallocations among investment funds; federal tax withholding; loan provisions; and comprehensive reports to plan sponsor and to participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include defined contribution plan consulting services; IRA rollover accounts; SEP plans; ESOP plans; and cafeteria plans.

Software is purchased from an outside vendor.

Fees are calculated on average asset size and number of participants.

The key executive overseeing defined contribution plan administrative services is John P. McCann.

The future of guaranteed investment contracts will be explored in the March 18 edition.

The Northern Trust Co.

50 S. LaSalle, Chicago, Ill. 60675; (312) 630-6000

Clients	314
Administrative services staff	47

Northern Trust Co. is a trust company.

Among its trustee services, it offers trade-date, settlement-date and tax-lot accounting; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Administrative services provide coordination of trust and record-keeping services; reconciliation of trust assets; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include custody; income collection; capital structure changes; trade settlements; standard reporting, including 5500s; automated cash management; investment management; benefit payments; securities lending; performance analysis; on-line reporting; and customized reporting.

Software is written internally or, if purchased from an outside vendor, customized internally.

Service offices also are in San Francisco, Los Angeles, Dallas and New York.

Fees are calculated based on the number of investment managers, the number and type of transactions and the market value of assets.

Key executives overseeing defined contribution plan administrative services are John F. Sutfin and Douglas F. Mitchell.

Norwest Bank Minnesota

Sixth and Marquette, Minneapolis, Minn. 55479-0035; (612) 667-5023

Clients	250
Average plan size (participants)	636
Median plan size (participants)	195
Administrative services staff	50

Norwest Bank Minnesota is a bank.

Among its trustee services, it offers settlement-date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 20 contribution categories; 20 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries; and coordination with GIC carriers.

Other services include investment products, enrollment meetings, mailing of participant reports, 401(k) and (m) testing, prototype documents, tape output for comprehensive benefit statements, performance measurement, master trust reporting, client newsletters and participant communication materials.

Software is purchased from an outside vendor.

Fees are calculated based on assets, number of funds, number of participants and valuation frequency.

Key executives overseeing defined contribution plan administrative services are Scott Spiker, Joyce Traynor, Larry Insveld and Laurie Nordquist.

Pan-American Life Insurance

601 Poydras, New Orleans, La. 70130; (504) 566-3739

Clients	250
Average plan size (participants)	75
Median plan size (participants)	100
Administrative services staff	18

Pan-American Life Insurance Co. is an insurance company.

Its record-keeping services can handle 10 contribution categories; four investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; and filing of necessary tax forms with government agencies.

Other services include plan document, SPD, 401(k)/(m) testing, withdrawal calculations, calculation of vested benefits, 1099R, W2P, minimum coverage, minimum participation, 401(a)(4) testing, top-heavy testing and 415 testing.

Software is purchased from an outside vendor.

Service offices also are in Atlanta, Baton Rouge, Chicago, Cincinnati, Dallas, Detroit, Houston, Jackson, Los Angeles, Memphis, Nashville, Philadelphia, St. Louis, San Francisco and Shreveport.

Fees are calculated based on the value of plan assets; number of participants; and testing and government filing services rendered.

Key executives overseeing defined contribution plan administrative services are Pat A. Lombard and A. Kathryn Barnhill.

Pension Planning Co.

355 Lexington Ave., New York, N.Y. 10017; (212) 867-4100

Clients	104
Average plan size (participants)	500
Median plan size (participants)	500
Administrative services staff	17

Pension Planning Co. Inc. is an employee benefit consulting firm.

Its record-keeping services can handle unlimited contribution categories; unlimited investment selections; quarterly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and plan participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include non-discrimination testing, employee communications, surveys, administration manual and forms, 1099-R, consulting, newsletters, monitoring IRS limits, and calculating investment returns.

Software is written internally.

Service offices also are in Atlanta, Cleveland, Detroit, Los Angeles, Boca Raton, Washington, Boston, Philadelphia and Dallas.

Fees are calculated based on the number of participants, frequency of valuations and statements, the number of funds and the number of types of contributions.

Key executives overseeing defined contribution plan administrative services are Donald A. Lockwood and Gena Buchwald.

PNC Financial Corp.

Fifth Avenue & Wood Street, Pittsburgh, Pa. 15265; (412) 762-3773

Clients	1,200
Average plan size (participants)	500
Median plan size (participants)	600
Administrative services staff	55

PNC Financial Corp. is a bank.

Among its trustee services, it offers settlement-date accounting for valuation of assets; daily transactions reports; and limited securities lending support.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include customized statements, employee communication meetings, PC hand off (i.e. disc and tape transmission) and remote access terminals.

Software is purchased from an outside vendor.

Other service offices in Pennsylvania are in Philadelphia, Erie and Scranton; and in Ohio, in Cincinnati, Canton, Lorain, Dayton and Newark.

Fees are calculated based on assets plus account maintenance, record keeping and transactions.

Key executives overseeing defined contribution plan administrative services are Bill Erb, Rick Larimer and Gary Wilson.

The Prudential Asset Management Co. Inc.

W.W. Scranton Office Park, 30 E.D. Preate Drive, Moosic, Pa. 18507-1796; (717) 341-6200

Clients	1,200
Average plan size (participants)	350
Administrative services staff	200

The Prudential Asset Management Co. Inc. is an insurance company subsidiary specializing in pension investment and record-keeping services.

It offers settlement-date accounting for valuation of assets. Other trust services are available through a trust company subsidiary of the firm's parent.

Its record-keeping services can handle six contribution categories; 10 investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include plan services on either an investment-only, full-service or record-keeping-only basis.

Software is written internally.

Service offices also are in Florham Park, N.J.; Woodland Hills, Calif.; and Chicago.

Fees are calculated based on a normal comprehensive full-service package; fees for additional services are based on case-need criteria.

Key executives overseeing defined contribution plan administrative services are Harold R. Hopkins Jr., Steven E. Benson and August A. Urgola.

Gerald T. Reilly & Co., Certified Public Accountants

424 Adams St., Milton, Mass. 02186; (617) 696-8900

Clients	25
Average plan size (participants)	50
Median plan size (participants)	25
Administrative services staff	5

Gerald T. Reilly & Co., Certified Public Accounts, is an employee benefit consulting firm and a third-party administrator.

Its record-keeping services can handle 10 contribution categories and 10 investment selections; transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping services; reconciliation of trust assets and participant records; and filing of necessary tax forms with government agencies.

Other services include implementation and administration of Section 125 plans, and accounting and record-keeping services.

Software is purchased from an outside vendor.

Fees are calculated based on the number of participants, frequency of valuations and complexity of plan.

The key executive overseeing defined contribution plan administrative services is Frank T. Ardito.

Seafirst Bank

701 Fifth Avenue, Seattle, Wash. 98104; (206) 358-3297

Clients	130
Administrative services staff	5

Seafirst Bank is a bank.

Among its trustee services, it offers trade-date and settlement-date accounting; and multiple sources for securities pricing.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and plan participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include discrimination testing.

Software is purchased from an outside vendor.

Fees are calculated on a per-participant and hourly basis.

The key executive overseeing defined contribution plan administrative services is Debby Thorvilson.

Security Trust Co.

2 N. Charles St., Baltimore, Md. 21203; (301) 244-1935

Clients	619
Average plan size (participants)	70
Administrative services staff	20

Security Trust Co. is a trust company.

Among its trustee services, it offers trade-date accounting; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 30 investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include employee benefits consulting; employee communications; prototype plans; and plan maintenance.

Software is purchased from an outside vendor.

Services offices also are in Washington and Tysons Corner, Va.

Trust service fees are based on the market value of plan assets; all other fees are based on a fee schedule.

The key executive overseeing defined contribution plan administrative services is David Sawtelle.

Signet Trust Co.

P.O. Box 26311, Richmond, Va. 23260; (804) 771-7658

Clients	254
Average plan size (participants)	98
Median plan size (participants)	112
Administrative services staff	9

Signet Trust Co. is a trust company.

Among its trustee services, it offers trade-date and settlement-date accounting for valuation of assets; multiple sources for securities pricing; daily transactions reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; 53 investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; and proxy voting and tabulation services.

Other services include consulting, compliance testing and investment splits.

Software is purchased from an outside vendor.

Fees are calculated on the number of participants, the number of investment funds, the number of types of contributions and the frequency of allocations.

Key executives overseeing defined contribution plan administrative services are Todd Pitts and Frank Pipino.

Small, Parker and Blossom

4200 N. Knoxville, Peoria, Ill. 61614; (309) 682-4200

Clients	500
Average plan size (participants)	75

Guaranteed Investment Contracts

- Qualified
- Nonqualified

Sun Life
A SunAmerica Company

Sun Life Insurance Company of America
11601 Wilshire Blvd.
Los Angeles, CA 90025-1748
(203) 397-1995

"AA" S&P Rating "A+" A.M. Best Rating

Administrative services staff 18

Small, Parker and Blossom is a third-party administrator.

Its record-keeping services can handle eight contribution categories; 10 investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to sponsors and participants; and daily valuations on participant balances.

Administrative services provide reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include employee benefit plan consulting and administration.

Software is purchased from an outside vendor.

Fees are calculated on a base fee plus per-participant or hourly charges.

Key executives overseeing defined contribution plan administrative services are Carol R. Sears, Linda Byrne and John D. Blossom Jr.

The best and worst deals of 1990 will be detailed in the Jan. 7 edition.

Society Bank & Trust

Three Seagate, P.O. Box 1099, Toledo, Ohio 43699-0099; (419) 259-8746

Clients 315
Average plan size (participants) 50
Median plan size (participants) 20
Administrative services staff 20

Society Bank & Trust is a bank/trust company.

Among its trustee services, it offers tax-lot accounting for valuation of assets; multiple sources for securities pricing; and daily transactions reports.

Its record-keeping services can handle any combination of 200 contribution categories and investment selections; monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping services; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include employee communications and discrimination testing.

Software is purchased from an outside vendor.

A service office also is in Mansfield, Ohio.

Fees are calculated based on market value of assets and record keeping.

Key executives overseeing defined contribution plan administrative services are Robert W. Cabanski and Cynthia D. Webb.

Star Bank

425 Walnut St., Cincinnati, Ohio 45201; (513) 632-4633

Clients 500
Average plan size (participants) 130
Median plan size (participants) 90
Administrative services staff 40

Star Bank is a bank.

Among its trustee services, it offers trade-date and settlement date accounting for valuation of assets; multiple sources for securities pricing; daily transaction reports; and securities lending support.

Its record-keeping services can handle 50 contribution categories; 50 investment selections; quarterly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsors and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include non-discrimination testing, 1 (800) voice response; and top-heavy testing.

Software is purchased from an outside vendor.

Service offices also are in Columbus, Cleveland and Dayton.

Fees are calculated based on the number of participants and market values.

The key executive overseeing defined contribution plan administrative services is Stephen A. Slovensky.

State Mutual Cos.

440 Lincoln St., Worcester, Mass. 01605; (508) 852-1000

Clients 1,000
Average plan size (participants) 300
Median plan size (participants) 2,600
Administrative services staff 150

State Mutual Cos. is an insurance company.

Its record-keeping services can handle unlimited contribution categories; unlimited investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances. State Mutual offers no trustee services, but does offer daily transactions reports for record-keeping services.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; proxy voting and tabulation services; and coordination with GIC carriers.

Other services include prototypes, investments, record keeping, administration, benefit payments, testing, employee communications and government reporting.

Software is written internally.

Service offices also are in Atlanta, Boston, Buffalo, Chicago, Dallas, Greensboro, Los Angeles, Paramus, Philadelphia, Pittsburgh, Puerto Rico, Richmond, San Francisco, Seattle, Tampa and Washington.

Fees are calculated based on plan assets, the number of participants and special services.

The key executive overseeing defined contribution plan administrative services is James E. Gow.

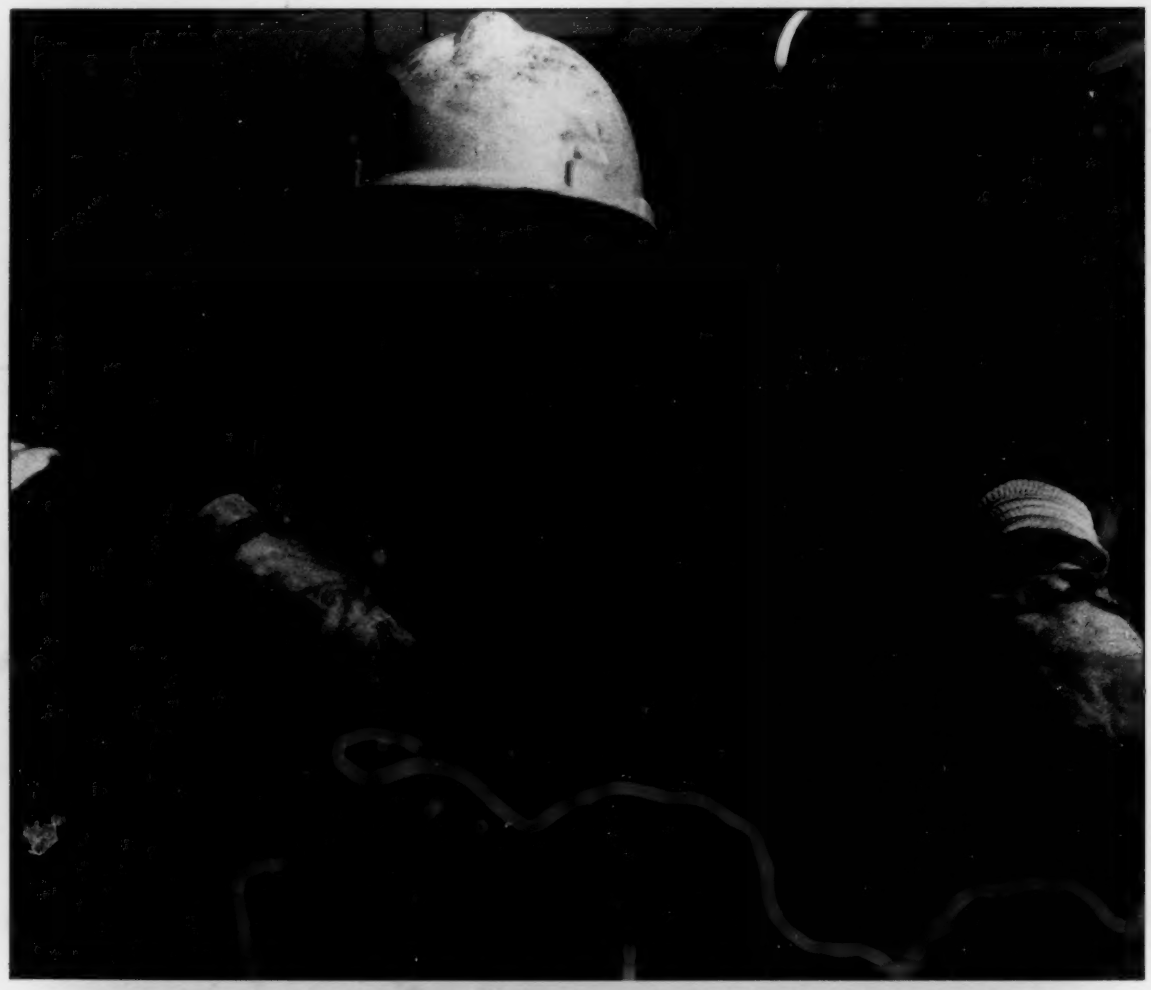
Team Bank

500 Throckmorton St., Fort Worth, Texas 76113; (817) 884-4430

Clients 300
Average plan size (participants) 100
Median plan size (participants) 100
Administrative services staff 15

Team Bank is a bank.

Among its trustee services, it offers trade-date and settlement-date accounting; multiple sources for securities pricing; and daily transactions reports.



SHE CAN MAKE OR BREAK YOUR 401(k) PLAN.

She's your employee participant. If she's happy with the plan, it will be a success. If not, it won't.

At State Street, we believe participant satisfaction is the key to 401(k) success. So whether we're managing your investments or administering the process, we work hard to make your customers happy.

Take GICs for example. We keep participants satisfied with a competitive yield, safety and liquidity. And since we know how much they hate surprises, we always manage for rate sensitivity.

But then we've been managing GIC portfolios since 1979. Today we have $4 billion of committed assets. As well as a team of fiduciary control and participant accounting experts to ensure that your guaranteed fund works with the rest of your defined contribution plan.

To meet a manager who can see beyond the portfolio, directly into your participants' desires, call Phil Lussier, Director of Marketing, at 617/786-6117.

State Street®

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Its record-keeping services can handle 35 contribution categories; nine investment selections; quarterly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; and coordination with GIC carriers.

Other services include benefit payment services.

Software is purchased from an outside vendor.

Service offices also are in Amarillo, Dallas, Denison and Houston.

Fees are calculated on the frequency of revaluations on a per-participant basis.

Key executives overseeing defined contribution plan administrative services are Gary C. Nelson and Dennis R. McQuiston.

Texas Commerce Investment Management

600 Travis (4-TCT-32), Houston, Texas 77252-8032; (713) 236-4444

Clients	800
Average plan size (participants)	400
Median plan size (participants)	300
Administrative services staff	10

Texas Commerce Investment Management Co. is a bank subsidiary.

Among its trustee services, it offers trade-date and settlement-date accounting for valuation of assets; multiple sources for securities pricing; daily transaction reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; five investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsors and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include custody, master custody, directed trustee and master trustee services.

Software is written internally.

Service offices also are in Arlington; Austin; Beaumont; Brownsville; Corpus Christi; Dallas; El Paso; Fort Worth; Longview; Lubbock; McAllen; Midland-Odessa; New Braunfels; Rio Grande Valley; San Angelo; and San Antonio.

Fees are calculated based on account size and the administrative and fiduciary responsibilities. Fees are negotiable.

Key executives overseeing defined contribution plan administrative services are Walter R. Brauchle, Luke P. Provenzano and Becky Newman.

TPF&C

1500 Market St., Philadelphia, Pa., 19102; (215) 246-6000

Clients	130
Average plan size (participants)	3,800
Median plan size (participants)	3,800
Administrative services staff	130

TPF&C is an employee benefit consulting firm.

Its record-keeping services can handle unlimited contribution categories, investment selection, and transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsors and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include complete record keeping, time sharing, license of software and telephone access to the data base.

Services offices also are in Atlanta, Boston, Chicago, Dallas and Los Angeles.

Software is written internally.

Fees are calculated on the basis of the number of participants, valuation frequency and plan complexity.

The key executive overseeing defined contribution plan administrative services is Mike Hockersmith.

The Travelers Insurance Co.

1 Tower Square, Hartford, Conn. 06183-6030; (203) 277-0111

Clients	650
Average plan size (participants)	600
Median plan size (participants)	1,200
Administrative services staff	100

The Travelers Insurance Co. is an insurance company.

Its record-keeping services can handle unlimited contribution categories and investment selections; daily or monthly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include plan drafting, amendments and restatements, SPDs, anti-discrimination testing, employee communications, legislative updates, on-line inquiry and input.

Software is written internally.

Service offices also are in Atlanta, Boston, Chicago, Dallas, Detroit, Los Angeles, New York, Philadelphia, St. Louis, San Francisco, Washington and Westport.

Fees are calculated as a per-participant charge.

Key executives overseeing defined contribution plan administrative services are Chester A. Clark, June Adams and Tom Cremona.

The Wyatt Co.

601 13th St. N.W., Washington, D.C. 20005; (202) 508-4760

Clients	2,225
Average plan size (participants)	600
Administrative services staff	425

The Wyatt Co. is an employee benefit consulting firm.

Its record-keeping services can handle 99 contribution categories and 99 investment selections; unlimited transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include providing assistance in GIC placements, trustee searches and fund performance analysis.

Service offices are in Atlanta; Boston; Chicago; Cleveland; Columbus, Ohio; Dallas; Denver; Detroit; Fort Lee, N.J.; Grand Rapids, Mich.; Honolulu; Houston; Irvine, Calif.; Lake Oswego, Ore.; Little Falls, N.J.; Los Angeles; Memphis; Miami; Milwaukee; Minneapolis; New York; Philadelphia; Phoenix; Portland, Ore.; San Diego; San Francisco; Santa Clara, Calif.; Seattle; Stamford, Conn.; Washington; and Montreal.

Software is written internally.

Fees are calculated on the number of participants, plan complexity, valuation frequency and other services requested.

Key executives overseeing defined contribution plan administrative services are Mike Davis, Lee Parks, William Hartman and Tom Hankins.

Yaffe & Co. Inc.

800 N. Charles St., Baltimore, Md. 21201; (301) 332-1166

Clients	30
Average plan size (participants)	500
Administrative services staff	7

Yaffe & Co. Inc. is an employee benefit consulting firm.

Its record-keeping services can handle multiple contribution categories and multiple investment selection (a matrix of 35); transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsor and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; and coordination with GIC carriers.

Other services include all discrimination testing; top-heavy testing; design and implementation, selection of trustee/investment manager, communication, IRS submissions, client staff training, procedures manuals, contribution calculation, breakdown of contribution into funds, handle beneficiary records, vesting records, investment performance measurement and legislative updates.

Software is purchased from an outside vendor.

Fees are calculated on a time and charges basis.

The key executive overseeing defined contribution plan administrative services is Judy H. Cox.

SOFTWARE

APEX Data Systems Inc.

6464 E. Grant Road, Tucson, Ariz. 85715; (602) 298-1991

PRODUCT: COGNAC*PLUS
HARDWARE: IBM AT or compatible
MINIMUM MEMORY: 2 megabytes
PRICE: based on number of users
YEAR OF 1ST INSTALLATION: 1988
USERS: 24
PROFESSIONALS: 15
DESCRIPTION: COGNAC*PLUS' principal function is administration and claims payments for self-funded employee benefit plans; processes medical, dental, disability and other coverages including cost containment, PPO and COBRA; totally automated from mail-clerk to EOBs allows HR to lower benefit costs and gain increased control. Other functions or modules include detailed management, analysis and ad hoc reporting capabilities for benefits administration and claims payments. Software can be bought unbundled from hardware. Telephone assistance is available 11 hours a day.
Cynthia Stewart is the client contact.

Benefit Concepts Systems

396 Wampanoag Trail, East Providence, R.I. 02915; (401) 438-7100

PRODUCT: Reimbursement Account Management System
HARDWARE: IBM PC/XT AT or compatible
MINIMUM MEMORY: 640K
PRICE: $2,995
YEAR OF 1ST INSTALLATION: 1986
USERS: 60
PROFESSIONALS: 5
DESCRIPTION: The Reimbursement Account Management System's principal function is to administer Section 125 flexible spending accounts. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day. John W. Hoder is the client contact.

PRODUCT: Flexible Benefit Management System
HARDWARE: IBM PC/XT AT or compatible
MINIMUM MEMORY: 640K
PRICE: $7,495
YEAR OF 1ST INSTALLATION: 1986
USERS: 25
PROFESSIONALS: 5
DESCRIPTION: The Flexible Benefit Management System's principal function is to administer full flexible benefit or cafeteria plans including flexible spending accounts. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day. John W. Hoder is the client contact.

PRODUCT: Benefit Continuation Management System
HARDWARE: IBM PC/XT AT or compatible
MINIMUM MEMORY: 640K
PRICE: $1,595
YEAR OF 1ST INSTALLATION: 1985
USERS: 300
PROFESSIONALS: 5
DESCRIPTION: The Benefit Continuation Management System's principal function is to administer COBRA Compliance. Other functions or modules include retiree and direct billing capability. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day. John W. Hoder is the client contact.

Cascade Technologies Inc.

1001 Avenue of the Americas, New York, N.Y. 10018; (212) 768-7380

PRODUCT: Professional Capital Accumulation System - PROCAS
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
YEAR OF 1ST INSTALLATION: 1985
USERS: 200
PROFESSIONALS: 12
DESCRIPTION: The Professional Capital Accumulation System is a PC-based record-keeping system for defined contribution plans; features parameterized plan setup, data conversion utilities, comprehensive report writer and compliance testing. Other functions or modules include transaction collection and on-line reporting. No hardware is furnished. Telephone assistance is available eight hours a day. Michael F. George is the client contact.

PRODUCT: Compliance Plus
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
YEAR OF 1ST INSTALLATION: 1989
USERS: 200
PROFESSIONALS: 12
DESCRIPTION: Compliance Plus performs the required ADP/ACP tests of defined contribution plans. Other functions or modules include IPC SEC AIS, coverage and participation tests, determination of highly compensated employees. Hardware is not furnished. Telephone assistance is available eight hours a day. Michael F. George is the client contact.

PRODUCT: CAS Voice
HARDWARE: 386 PC, IBM OS/2 version 1.2 or later, VGA
MINIMUM MEMORY: 4 megabytes
YEAR OF 1ST INSTALLATION: 1989
USERS: 25
PROFESSIONALS: 12
DESCRIPTION: CAS Voice communicates personalized benefit information to employees 24 hours a day using a touch-tone phone; it accesses data base information and speaks to employee. Other functions or modules include transaction generation/benefit plan enrollment via telephone. Hardware is not furnished. Telephone assistance is available eight hours a day. Michael F. George is the client contact.

Cyborg Systems

2 N. Riverside Plaza, Chicago, Ill. 60606; (312) 454-1865

PRODUCT: The Human Resource Management Solution - Benefits Administration Module
HARDWARE: mainframe and mini-computer
MINIMUM MEMORY: 512K
YEAR OF 1ST INSTALLATION: 1974
USERS: 1,000
PROFESSIONALS: 250
DESCRIPTION: The Benefits Administration Module simplifies tracking of all employee welfare benefit plans including health insurance, life insurance, disability, and travel and accident plans. The module also tracks deferred benefits such as pension, profit sharing, thrift/savings plans and 401(k).

Other functions or modules include the COBRA Solution, a microcomputer based application that ensures compliance and automates the date sensitive, paper-oriented administrative tasks associated with COBRA.

Software can be bought unbundled from hardware. Telephone assistance is available 24 hours a day. Branch offices are in New York; Atlanta; Dallas; Los Angeles; Cornwall, Ontario; London; Sydney; and Hato Rey, Puerto Rico.

Ellen Snelling is the client contact.

Data Management Ventures

603 Parkway 575, Woodstock, Ga. 30188; (404) 924-7621

PRODUCT: FEE FACTS, Prevailing Fees For Rehabilitative Medicine
HARDWARE: IBM PC or compatibles, IBM mainframe
YEAR OF 1ST INSTALLATION: 1987
USERS: 200
PROFESSIONALS: 2
DESCRIPTION: FEE FACT's principal function is health care cost control — statistically accurate reports of chiropractic, physical therapy, and rehabilitative medicine prevailing fees for more than 80 types of service, by CPT-4 code, for all 50 states. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day.
Richard E. Olson is the client contact.

Dyatron Corp.

210 Automation Way, Birmingham, Ala. 35210; (205) 956-7700

PRODUCT: OMNIPLAN
HARDWARE: IBM or compatible mainframe, IBM AS/400, or IBM PS/2 or compatible 386
MINIMUM MEMORY: 4 megabytes
YEAR OF 1ST INSTALLATION: 1984
USERS: 100
DESCRIPTION: OMNIPLAN provides participant record keeping for all types of defined contribution pension plans. Other functions or modules include loan processing and accounting. Software can be bought unbundled from hardware. Telephone assistance is available 12 hours a day. Branch offices are in New York, Chicago, Jacksonville and Los Angeles.
David Kennedy is the client contact.

Erisco

1700 Broadway, New York, N.Y. 10019; (212) 765-8500

PRODUCT: ImpleFacts
HARDWARE: IBM 370, 30xx, 43xx
YEAR OF 1ST INSTALLATION: 1972
USERS: 80
PROFESSIONALS: 46
DESCRIPTION: ImpleFacts is a record-keeping system for defined contribution plans. Other functions or modules include LoanFacts, an integrated system for administering loans, and FactsLine, touch-tone phone access for participant account information. Software can be bought unbundled from hardware. Telephone assistance is available 24 hours a day. Branch offices are in Los Angeles, Philadelphia and Union, N.J.

Hay/Huggins Co. Inc.

229 S. 18th St., Philadelphia, Pa. 19103; (215) 875-2300

PRODUCT: Capital Accumulation Language (CAL)
HARDWARE: IBM mainframe, modem, terminal or PC
YEAR OF 1ST INSTALLATION: 1986
USERS: 29
PROFESSIONALS: 15
DESCRIPTION: The Capital Accumulation Language's principal function is mainframe application that provides defined contribution plan record-keeping administration to clients. Other functions or modules include discrimination testing, 415 limitation testing, and benefits statements; system can be purchased, accessed on a time-sharing basis, or Hay/Huggins administrators can provide record-keeping functions. Software can be bought unbundled from hardware. Telephone assistance is available seven hours a day. Branch offices are in Los Angeles, New York, Atlanta, Boston, Washington and Walnut Creek, Calif.
Robert Liotto is the client contact.

Hazlehurst & Associates Inc.

400 Perimeter Center Terrace, Suite 850, Atlanta, Ga. 30346; (404) 395-9880

PRODUCT: H&A IRC Section 415 Limit Testing System
HARDWARE: IBM PC, XT, AT or compatible with 1 hard disk and 1 floppy disk drive
PRICE: $6,500
YEAR OF 1ST INSTALLATION: 1985
USERS: 15
PROFESSIONALS: 13
DESCRIPTION: The IRC Section 415 Limit Testing System's principal function is to allow the plan sponsor to perform Section 415 individual and combined plan limitation testing for individuals or groups using current or projected data at early, normal or delayed retirement. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. A branch office is in Seattle.
Stephen A. Martin is the client contact.

PRODUCT: Social Security Calculation System
HARDWARE: IBM PC, XT, AT or compatible with 1 hard disk and 1 floppy disk drive
PRICE: $395
YEAR OF 1ST INSTALLATION: 1985
USERS: 11
PROFESSIONALS: 13
DESCRIPTION: The Social Security Calculation System's principal function is to calculate individual Social Security benefits; calculations include earnings projections and estimates on primary insurance amount, 401(b) covered compensation, actual benefits payable and maximum family benefits in case of retirement, disability or death. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. A branch office is in Seattle.
Stephen A. Martin is the client contact.

PRODUCT: H&A Tailored Benefit Calculation System
HARDWARE: IBM PC, XT, AT or compatible with 1 hard disk and 1 floppy disk drive
PRICE: $21,800
YEAR OF 1ST INSTALLATION: 1985
USERS: 12
PROFESSIONALS: 13
DESCRIPTION: The H&A Tailored Benefit Calculation System's principal function is to calculate pension benefits for individual or a group of employees as defined by plan; the system performs calculation of benefits, stores basic employee data, allows user to input missing earnings for salary projections. Optional benefit calculations and summary reports. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. A branch office is in Seattle.
Stephen A. Martin is the client contact.

PRODUCT: H&A COBRA and Other Beneficiary Data Maintenance System
HARDWARE: IBM PC, XT, AT or compatible with 1 hard disk and 1 floppy disk drive
PRICE: $2,950
YEAR OF 1ST INSTALLATION: 1985
USERS: 5
PROFESSIONALS: 13
DESCRIPTION: The H&A COBRA and Other Beneficiary Data Maintenance System's principal function is to provide a centralized resource for maintaining data necessary to comply with COBRA; the system also stores traditional beneficiary data for both health care and non-health care plans; it provides election notices, premium invoices/coupons and management reports. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. A branch office is in Seattle.
Stephen A. Martin is the client contact.

Health Management Technologies

1042 Country Club Drive, Suite 2-C, Moraga, Calif. 94556; (415) 376-0980

PRODUCT: Return Disability Case Management
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
PRICE: $10,000
YEAR OF 1ST INSTALLATION: 1988
USERS: 60
PROFESSIONALS: 5
DESCRIPTION: The Return Disability Case Management's principal function is case management for workers' compensation, long- and short-term disability, provider management and cost control. Software can be bought with or without hardware. Telephone assistance is available 10 hours a day.
Jim Wolfe is client contact.

Health Risk Management

8000 W. 78th St., Minneapolis, Minn. 55439; (800) 824-3882

PRODUCT: Results PLUS
DESCRIPTION: The Results PLUS' principal function is analysis of medical claims data to identify controllable utilization and pricing patterns contributing to excessive benefit costs; it also recommends solutions and savings. Other functions or modules consist of Phase One — Data Quality Evaluation and Phase Two — Data Analysis. Telephone assistance is available eight hours a day. Branch offices are in Shrewsbury, N.J.; Chicago; and Glendale, Calif.
Liz Leahy is the client contact.

PRODUCT: Benefit Plan Modeling
HARDWARE: IBM or compatible
MINIMUM MEMORY: 640K
DESCRIPTION: The Benefit Plan Modeling's principal function is to calculate the financial impact of benefit plan changes using medical claims data (e.g. changes to deductibles, co-insurance, stop loss, mental health/chemical dependency plan limits. Telephone assistance is available eight hours a day. Branch offices are in Shrewsbury, N.J.; Chicago; and Glendale, Calif.
Liz Leahy is the client contact.

PRODUCT: Benecalc
HARDWARE: IBM or compatible
MINIMUM MEMORY: 640K
DESCRIPTION: The Benecalc's principal function is to prepare and provide medical claims data with utilization criteria and price norms for on-site reporting and analysis; it also identifies utilization, hospital and physician pricing patterns. Other functions or modules include menu of standard reports and ad hoc query facility for customized reporting. Telephone assistance is available eight hours a day. Branch offices are in Shrewsbury, N.J.; Chicago; and Glendale, Calif.
Liz Leahy is the client contact.

Hewitt Associates

100 Half Day Road, Lincolnshire, Ill. 60069; (708) 295-5000

PRODUCT: Future$aver
HARDWARE: IBM or compatible
MINIMUM MEMORY: 400K to 500K
YEAR OF 1ST INSTALLATION: 1989
USERS: 5
PROFESSIONALS: 15
DESCRIPTION: The Future$aver's principal function is to allow employees to calculate future retirement income from all sources. Software can be bought unbundled from hardware. Branch offices are nationwide.
Barbara Van Lieshout is the client contact.

PRODUCT: 415 Calc
HARDWARE: IBM mainframe and IBM PC or compatible
MINIMUM MEMORY: 512K
YEAR OF 1ST INSTALLATION: 1988
USERS: 50
PROFESSIONALS: 10
DESCRIPTION: The 415 Calc's principal function is to calculate one- and two-plan IRC Section 415 benefit limits. Maintains employee data base and produces documentation including audit and summary reports. Software can be bought unbundled from hardware. Branch offices are nationwide.

Its record-keeping services can handle 35 contribution categories; nine investment selections; quarterly transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsor and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; and coordination with GIC carriers.

Other services include benefit payment services.

Software is purchased from an outside vendor.

Service offices also are in Amarillo, Dallas, Denison and Houston.

Fees are calculated on the frequency of revaluations on a per-participant basis.

Key executives overseeing defined contribution plan administrative services are Gary C. Nelson and Dennis R. McQuiston.

Texas Commerce Investment Management

600 Travis (4-TCT-32), Houston, Texas 77252-8032; (713) 236-4444

Clients	800
Average plan size (participants)	400
Median plan size (participants)	300
Administrative services staff	10

Texas Commerce Investment Management Co. is a bank subsidiary.

Among its trustee services, it offers trade-date and settlement-date accounting for valuation of assets; multiple sources for securities pricing; daily transaction reports; and securities lending support.

Its record-keeping services can handle 10 contribution categories; five investment selections; daily transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; comprehensive reports to plan sponsors and participants; and daily valuation on participants' balances.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include custody, master custody, directed trustee and master trustee services.

Software is written internally.

Service offices also are in Arlington; Austin; Beaumont; Brownsville; Corpus Christi; Dallas; El Paso; Fort Worth; Longview; Lubbock; McAllen; Midland/Odessa; New Braunfels; Rio Grande Valley; San Angelo; and San Antonio.

Fees are calculated based on account size and the administrative and fiduciary responsibilities. Fees are negotiable.

Key executives overseeing defined contribution plan administrative services are Walter R. Brauchle, Luke P. Provenzano and Becky Newman.

TPF&C

1500 Market St., Philadelphia, Pa., 19102; (215) 246-6000

Clients	130
Average plan size (participants)	3,800
Median plan size (participants)	3,800
Administrative services staff	130

TPF&C is an employee benefit consulting firm.

Its record-keeping services can handle unlimited contribution categories, investment selection, and transfers and reallocations among investment funds; federal and state tax withholding; loan provisions; and comprehensive reports to plan sponsors and participants.

Administrative services provide coordination of trust and record-keeping activities; reconciliation of trust assets and participant records; filing of necessary tax forms with government agencies; support for dividend re-investment program; proxy voting and tabulation services; 800 numbers for participant balance inquiries and transactions; and coordination with GIC carriers.

Other services include complete record keeping, time sharing, license of software and telephone access to the data base.

Services officies also are in Atlanta, Boston, Chicago, Dallas and Los Angeles.

Software is written internally.

Fees are calculated on the basis of the number of participants, valuation frequency and plan complexity.

The key executive overseeing defined contribution plan administrative services is Mike Hockersmith.

The Travelers Insurance Co.

1 Tower Square, Hartford, Conn. 06183-6030; (203) 277-0111

Clients	650
Average plan size (participants)	600
Median plan size (participants)	1,200
Administrative services staff	100

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Clients	2,225
Average plan(size (participants)	600
Administrative services staff	425

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Other services include providing assistance in GIC placements, trustee searches and fund performance analysis.

Service offices are in Atlanta; Boston; Chicago; Cleveland; Columbus, Ohio; Dallas; Denver; Detroit; Fort Lee, N.J.; Grand Rapids, Mich.; Honolulu; Houston; Irvine, Calif.; Lake Oswego, Ore.; Little Falls, N.J.; Los Angeles; Memphis; Miami; Milwaukee; Minneapolis; New York; Philadelphia; Phoenix; Portland, Ore.; San Diego; San Francisco; Santa Clara, Calif.; Seattle; Stamford, Conn.; Washington; and Montreal.

Software is written internally.

Fees are calculated on the number of participants, plan complexity, valuation frequency and other services requested.

Key executives overseeing defined contribution plan administrative services are Mike Davis, Lee Parks, William Hartman and Tom Hankins.

Yaffe & Co. Inc.

800 N. Charles St., Baltimore, Md. 21201; (301) 332-1166

Clients	30
Average plan size (participants)	500
Administrative services staff	7

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SOFTWARE

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6464 E. Grant Road, Tucson, Ariz. 85715; (602) 298-1991

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USERS: 24
PROFESSIONALS: 15
DESCRIPTION: COGNAC*PLUS' principal function is administration and claims payments for self-funded employee benefit plans; processes medical, dental, disability and other coverages including cost containment, PPO and COBRA; totally automated from mail-clerk to EOBs allows HR to lower benefit costs and gain increased control. Other functions or modules include detailed management, analysis and ad hoc reporting capabilities for benefits administration and claims payments. Software can be bought unbundled from hardware. Telephone assistance is available 11 hours a day.

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YEAR OF 1ST INSTALLATION: 1986
USERS: 25
PROFESSIONALS: 5
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USERS: 300
PROFESSIONALS: 5
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Cyborg Systems

2 N. Riverside Plaza, Chicago, Ill. 60606; (312) 454-1865

PRODUCT: The Human Resource Management Solution - Benefits Administration Module
HARDWARE: mainframe and mini-computer
MINIMUM MEMORY: 512K
YEAR OF 1ST INSTALLATION: 1974
USERS: 1,000
PROFESSIONALS: 250
DESCRIPTION: The Benefits Administration Module simplifies tracking of all employee welfare benefit plans including health insurance, life insurance, disability, and travel and accident plans. The module also tracks deferred benefits such as pension, profit sharing, thrift/savings plans and 401(k).

Other functions or modules include the COBRA Solution, a microcomputer based application that ensures compliance and automates the date sensitive, paper-oriented administrative tasks associated with COBRA.

Software can be bought unbundled from hardware. Telephone assistance is available 24 hours a day. Branch offices are in New York; Atlanta; Dallas; Los Angeles; Cornwall, Ontario; London; Sydney; and Hato Rey, Puerto Rico.

Ellen Snelling is the client contact.

Data Management Ventures

603 Parkway 575, Woodstock, Ga. 30188; (404) 924-7621

PRODUCT: FEE FACTS, Prevailing Fees For Rehabilitative Medicine
HARDWARE: IBM PC or compatibles, IBM mainframe
YEAR OF 1ST INSTALLATION: 1987
USERS: 200
PROFESSIONALS: 2
DESCRIPTION: FEE FACT's principal function is health care cost control — statistically accurate reports of chiropractic, physical therapy, and rehabilitative medicine prevailing fees for more than 80 types of service, by CPT-4 code, for all 50 states. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day.

Richard E. Olson is the client contact.

Dyatron Corp.

210 Automation Way, Birmingham, Ala. 35210; (205) 956-7700

PRODUCT: OMNIPLAN
HARDWARE: IBM or compatible mainframe, IBM AS/400, or IBM PS/2 or compatible 386
MINIMUM MEMORY: 4 megabytes
YEAR OF 1ST INSTALLATION: 1984
USERS: 100
DESCRIPTION: OMNIPLAN provides participant record keeping for all types of defined contribution pension plans. Other functions or modules include loan processing and accounting. Software can be bought unbundled from hardware. Telephone assistance is available 12 hours a day. Branch offices are in New York, Chicago, Jacksonville and Los Angeles.

David Kennedy is the client contact.

Erisco

1700 Broadway, New York, N.Y. 10019; (212) 765-8500

PRODUCT: ImpleFacts
HARDWARE: IBM 370, 30xx, 43xx
YEAR OF 1ST INSTALLATION: 1972
USERS: 80
PROFESSIONALS: 46
DESCRIPTION: ImpleFacts is a record-keeping system for defined contribution plans. Other functions or modules include LoanFacts, an integrated system for administering loans, and FactsLine, touch-tone phone access for participant account information. Software can be bought unbundled from hardware. Telephone assistance is available 24 hours a day. Branch offices are in Los Angeles, Philadelphia and Union, N.J.

Hay/Huggins Co. Inc.

229 S. 18th St., Philadelphia, Pa. 19103; (215) 875-2300

PRODUCT: Capital Accumulation Language (CAL)
HARDWARE: IBM mainframe, modem, terminal or PC
YEAR OF 1ST INSTALLATION: 1986
USERS: 29
PROFESSIONALS: 15
DESCRIPTION: The Capital Accumulation Language's principal function is mainframe application that provides defined contribution plan record-keeping administration to clients. Other functions or modules include discrimination testing, 415 limitation testing, and benefits statements; system can be purchased, accessed on a time-sharing basis, or Hay/Huggins administrators can provide record-keeping functions. Software can be bought unbundled from hardware. Telephone assistance is available seven hours a day. Branch offices are in Los Angeles, New York, Atlanta, Boston, Washington and Walnut Creek, Calif.

Robert Liotto is the client contact.

Hazlehurst & Associates Inc.

400 Perimeter Center Terrace, Suite 850, Atlanta, Ga. 30346; (404) 395-9880

PRODUCT: H&A IRC Section 415 Limit Testing System
HARDWARE: IBM PC, XT, AT or compatible with 1 hard disk and 1 floppy disk drive
PRICE: $6,500
YEAR OF 1ST INSTALLATION: 1985
USERS: 15
PROFESSIONALS: 13
DESCRIPTION: The IRC Section 415 Limit Testing System's principal function is to allow the plan sponsor to perform Section 415 individual and combined plan limitation testing for individuals or groups using current or projected data at early, normal or delayed retirement. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. A branch office is in Seattle.

Stephen A. Martin is the client contact.

PRODUCT: Social Security Calculation System
HARDWARE: IBM PC, XT, AT or compatible with 1 hard disk and 1 floppy disk drive
PRICE: $395
YEAR OF 1ST INSTALLATION: 1985
USERS: 11
PROFESSIONALS: 13
DESCRIPTION: The Social Security Calculation System's principal function is to calculate individual Social Security benefits; calculations include earnings projections and estimates on primary insurance amount, 401(b) covered compensation, actual benefits payable and maximum family benefits in case of retirement, disability or death. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. A branch office is in Seattle.

Stephen A. Martin is the client contact.

PRODUCT: H&A Tailored Benefit Calculation System
HARDWARE: IBM PC, XT, AT or compatible with 1 hard disk and 1 floppy disk drive
PRICE: $21,800
YEAR OF 1ST INSTALLATION: 1985
USERS: 12
PROFESSIONALS: 13
DESCRIPTION: The H&A Tailored Benefit Calculation System's principal function is to calculate pension benefits for individual or a group of employees as defined by plan; the system performs calculation of benefits, stores basic employee data, allows user to input missing earnings for salary projections. Optional benefit calculations and summary reports. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. A branch office is in Seattle.

Stephen A. Martin is the client contact.

PRODUCT: H&A COBRA and Other Beneficiary Data Maintenance System
HARDWARE: IBM PC, XT, AT or compatible with 1 hard disk and 1 floppy disk drive
PRICE: $2,950
YEAR OF 1ST INSTALLATION: 1985
USERS: 5
PROFESSIONALS: 13
DESCRIPTION: The H&A COBRA and Other Beneficiary Data Maintenance System's principal function is to provide a centralized resource for maintaining data necessary to comply with COBRA; the system also stores traditional beneficiary data for both health care and non-health care plans; it provides election notices, premium invoices/coupons and management reports. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. A branch office is in Seattle.

Stephen A. Martin is the client contact.

Health Management Technologies

1042 Country Club Drive, Suite 2-C, Moraga, Calif. 94556; (415) 376-0980

PRODUCT: Return Disability Case Management
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
PRICE: $10,000
YEAR OF 1ST INSTALLATION: 1988
USERS: 60
PROFESSIONALS: 5
DESCRIPTION: The Return Disability Case Management's principal function is case management for workers' compensation, long- and short-term disability, provider management and cost control. Software can be bought with or without hardware. Telephone assistance is available 10 hours a day.

Jim Wolfe is client contact.

Health Risk Management

8000 W. 78th St., Minneapolis, Minn. 55439; (800) 824-3882

PRODUCT: Results PLUS
DESCRIPTION: The Results PLUS' principal function is analysis of medical claims data to identify controllable utilization and pricing patterns contributing to excessive benefit costs; it also recommends solutions and savings. Other functions or modules consist of Phase One — Data Quality Evaluation and Phase Two — Data Analysis. Telephone assistance is available eight hours a day. Branch offices are in Shrewsbury, N.J.; Chicago; and Glendale, Calif.

Liz Leahy is the client contact.

PRODUCT: Benefit Plan Modeling
HARDWARE: IBM or compatible
MINIMUM MEMORY: 640K
DESCRIPTION: The Benefit Plan Modeling's principal function is to calculate the financial impact of benefit plan changes using medical claims data (e.g. changes to deductibles, co-insurance, stop loss, mental health/chemical dependency plan limits. Telephone assistance is available eight hours a day. Branch offices are in Shrewsbury, N.J.; Chicago; and Glendale, Calif.

Liz Leahy is the client contact.

PRODUCT: Benecalc
HARDWARE: IBM or compatible
MINIMUM MEMORY: 640K
DESCRIPTION: The Benecalc's principal function is to prepare and provide medical claims data with utilization criteria and price norms for on-site reporting and analysis; it also identifies utilization, hospital and physician pricing patterns. Other functions or modules include menu of standard reports and ad hoc query facility for customized reporting. Telephone assistance is available eight hours a day. Branch offices are in Shrewsbury, N.J.; Chicago; and Glendale, Calif.

Liz Leahy is the client contact.

Hewitt Associates

100 Half Day Road, Lincolnshire, Ill. 60069; (708) 295-5000

PRODUCT: Future$aver
HARDWARE: IBM or compatible
MINIMUM MEMORY: 400K to 500K
YEAR OF 1ST INSTALLATION: 1989
USERS: 5
PROFESSIONALS: 15
DESCRIPTION: The Future$aver's principal function is to allow employees to calculate future retirement income from all sources. Software can be bought unbundled from hardware. Branch offices are nationwide.

Barbara Van Lieshout is the client contact.

PRODUCT: 415 Calc
HARDWARE: IBM mainframe and IBM PC or compatible
MINIMUM MEMORY: 512K
YEAR OF 1ST INSTALLATION: 1986
USERS: 50
PROFESSIONALS: 10
DESCRIPTION: The 415 Calc's principal function is to calculate one- and two-plan IRC Section 415 benefit limits. Maintains employee data base and produces documentation including audit and summary reports. Software can be bought unbundled from hardware. Branch offices are nationwide.

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1290 Avenue of the Americas
New York, NY 10104
(212) 408-2900

Monica Thompson and Jeff Dawson are client contacts.

PRODUCT: Social Security Calculator
HARDWARE: IBM or Burroughs mainframe and IBM PC or compatible
MINIMUM MEMORY: 256K
YEAR OF 1ST INSTALLATION: Mainframe: 1979; PC: 1984
USERS: 200
PROFESSIONALS: 150
DESCRIPTION: The Social Security Calculator's principal function is to calculate employee Social Security benefits. Software can be bought unbundled from hardware. Branch offices are nationwide.
Cathy Clemmer is client contact.

PRODUCT: Pension Administrator
HARDWARE: IBM mainframe or IBM PC/XT, AT or compatible
MINIMUM MEMORY: 640K
YEAR OF 1ST INSTALLATION: 1985
USERS: 108
PROFESSIONALS: 110
DESCRIPTION: The Pension Administrator's principal function is to provide total pension plan administration, including tracking day-to-day administration details; calculating pension benefits; producing management reports; and maintaining an employee database. Software can be bought unbundled from hardware. Branch offices are nationwide.
Barbara Van Lieshout is the client contact.

PRODUCT: Defined Contribution Plan Administration
HARDWARE: Mainframe: IBM; time sharing: none
YEAR OF 1ST INSTALLATION: mainframe: 1976; time sharing: 1976
USERS: 250
PROFESSIONALS: 265
DESCRIPTION: The Defined Contribution Plan Administration's principal function is record keeping for defined contribution plans, including savings, 401(k), profit sharing and ESOP plans. Software can be bought unbundled from hardware. Branch offices are nationwide.
Barbara Van Lieshout is the client contact.

PRODUCT: FlexSystem
HARDWARE: IBM mainframe or PC or compatible
MINIMUM MEMORY: 512K
YEAR OF 1ST INSTALLATION: 1983
USERS: 215
PROFESSIONALS: 150
DESCRIPTION: The FlexSystem's principal function is to administer all aspects of a flexible compensation program, including enrollment; reimbursement accounts; on-going administration; reporting to management and carriers; and maintaining an employee data base. Software can be bought unbundled from hardware. Branch offices are nationwide.
Barbara Van Lieshout is the client contact.

Insurance Software Packages Inc.

5118 N. 56th St., Tampa, Fla. 33610; (813) 621-6069

PRODUCT: ISP HealthStar
HARDWARE: 386 IBM compatible micro computer, Novell network
MINIMUM MEMORY: 3 MB RAM
PRICE: $35,000 to $45,000
YEAR OF 1ST INSTALLATION: 1986
USERS: 140
PROFESSIONALS: 40
DESCRIPTION: The ISP HealthStar is a fully adjudicating health benefits management system for self-insureds, TPAs and carriers. Its principal function is to handle medical, disability, dental and optical claims. A PPO module is offered. It verifies eligibility; automatically adjudicates claims; flags duplicate claims; and generates EOB, checks and vouchers. On-line claim inquiry, pended claims, letter manager and comprehensive reporting also offered. Other functions or modules include optional billing and commission modules; UCR cost containment module and lag analysis reporting. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day.
Monique Knox is the client contact.

Intex Solutions Inc.

161 Highland Ave., Needham, Mass. 02194; (617) 449-6222

PRODUCT: Intex Bond Amortization Program
HARDWARE: IBM PC, XT or compatibles
PRICE: $295
YEAR OF 1ST INSTALLATION: 1990
DESCRIPTION: The Intex Bond Amortization Program's principal function is to quickly produce a bond amortization schedule and calculate bond yield for tax and accounting purposes.
George Jigarjian is client contact.

PRODUCT: Intex Mortgage-Backed Calculations
YEAR OF 1ST INSTALLATION: 1989
DESCRIPTION: The Intex Mortgage-Backed Calculations' principal function is to automate complex mortgage-backed bond calculations, including quoted and cash flow yield and price, balance, principal, interest, duration and life. An advanced version handles adjustable-rate mortgages plus implied pre-payment, total return and bond-equivalent yield functions.
George Jigarjian is the client contact.

PRODUCT: Intex Options Price Calculations
YEAR OF 1ST INSTALLATION: 1989
DESCRIPTION: The Intex Options Price Calculations' principal function is to compute theoretical value, implied volatility, historical volatility, and the 'Greek' sensitivity values for options buyers and sellers. Date functions determine the appropriate option expiration date.
George Jigarjian is the client contact.

PRODUCT: Intex Bond Calculations
PRICE: Basic version: $395
YEAR OF 1ST INSTALLATION: 1989
PROFESSIONALS: 5
DESCRIPTION: The Intex Bond Calculations's principal function is to provide essential bond calculations including yield, price, duration, Macaulay duration, bond equivalent yield of a T-bill, accrued interest, price and yield on discount securities and other functions. An advanced version and international version also are available.
George Jigarjian is the client contact.

PRODUCT: TROLL
HARDWARE: IBM mainframes 937X, 43XX and 30XX Series or compatibles
PRICE: $8000 and up
YEAR OF 1ST INSTALLATION: 1990
DESCRIPTION: TROLL is an interactive decision support system for data base management; its principal function is to offer econometric modeling, forecasting, and statistical analysis. State-of-the-art modeling and forecasting, simulation, databanking, reporting and graphic features are offered.
George Jigarjian is the client contact.

Kwasha Lipton

2100 N. Central Road, Fort Lee, N.J. 07024; (201) 592-1300

PRODUCT: Defined Contribution Administration System
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K

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Chemical Realty Group acted as exclusive financial advisor in these transactions.

CHEMICAL BANKING Corporation
INVESTMENT BANKING

PRICE: $15,000 and up
YEAR OF 1ST INSTALLATION: 1987
USERS: 20
PROFESSIONALS: 40
DESCRIPTION: The Defined Contribution Administration System's principal function is to help companies organize, edit and transmit data that relates to their defined contribution plans. Other functions or modules maintain an employee data base of plan participants and their enrollment elections. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day.
R.T. Whitman is the client contact.

PRODUCT: Group Benefits Administration System
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
PRICE: $20,000 and up
YEAR OF 1ST INSTALLATION: 1989
USERS: 2
PROFESSIONALS: 20
DESCRIPTION: The Group Benefits Administration System's principal function is to fulfill all requirements for enrollment and through the year administration for group benefit plans, including flexible benefit designs. Other functions or modules maintain a separate employee data base. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day.
R.T. Whitman is the client contact.

PRODUCT: INTACT
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
PRICE: $15,000 and up
YEAR OF 1ST INSTALLATION: 1985
USERS: 2
PROFESSIONALS: 20
DESCRIPTION: INTACT's principal function is to allow individual employees to forecast the effects of employee benefit plan enrollment decisions. Other functions or modules include helping employees through flexible benefit enrollments and with retirement income planning. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day.
R.T. Whitman is the client contact.

PRODUCT: Defined Benefit Certification System
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
PRICE: $30,000 and up
YEAR OF 1ST INSTALLATION: 1984
USERS: 30
PROFESSIONALS: 40
DESCRIPTION: The Defined Benefit Certification System's principal function is to allow plan administrators to compute an employee's actual retirement benefits under a company's defined benefit plan. Other functions or modules allow user to forecast retirement benefits for employees nearing retirement and who want counseling. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day.
R.T. Whitman is the client contact.

William M. Mercer Inc.

1166 Avenue of the Americas, New York, N.Y. 10036; (212) 345-7000

PRODUCT: Allocation Express (ALEX)
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
YEAR OF 1ST INSTALLATION: 1989
USERS: 75
PROFESSIONALS: 150
DESCRIPTION: The ALEX's principal function is to provide comprehensive participant accounting for all aspects of defined contribution plan administration. Other functions or modules include communicating benefit programs to employees. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

PRODUCT: 415 Express
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
PRICE: $20,000
YEAR OF 1ST INSTALLATION: 1988
USERS: 50
PROFESSIONALS: 150
DESCRIPTION: The 415 Express' principal function is to test for compliance with Section 415 combined limits. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

PRODUCT: TestKey
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
PRICE: $3,000
YEAR OF 1ST INSTALLATION: 1987
USERS: 39
PROFESSIONALS: 150
DESCRIPTION: The TestKey's principal function is to perform discrimination tests in accordance with the Tax Reform Act of 1986. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

PRODUCT: Social Security Calculation System
HARDWARE: IBM mainframe and IBM PC or compatible
MINIMUM MEMORY: 640K
YEAR OF 1ST INSTALLATION: 1979
PROFESSIONALS: 150
DESCRIPTION: The Social Security Calculation System's principal function is to calculate OASDI benefits under Social Security law in effect at any time since 1975. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

PRODUCT: Pension Express (Benefit Calculation System)
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 3 MB
YEAR OF 1ST INSTALLATION: 1986
USERS: 100
PROFESSIONALS: 150
DESCRIPTION: The Pension Express Benefit Calculation System's principal function is to calculate plan-specific defined benefit pensions. Other functions or modules include communications with employees. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

PRODUCT: MasterKey
HARDWARE: Mainframe
YEAR OF 1ST INSTALLATION: 1984
PROFESSIONALS: 150
DESCRIPTION: MasterKey is a comprehensive participant accounting system for all aspects of defined contribution plan administration. Other functions or modules include employee communication. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

PRODUCT: LoanKey
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
PRICE: $10,000 complete
YEAR OF 1ST INSTALLATION: 1986
USERS: 100
PROFESSIONALS: 150
DESCRIPTION: The LoanKey's principal function is to administer loan provisions of any defined contribution plan. Other functions or modules include communicating benefit programs to employees. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

PRODUCT: FlexKey
HARDWARE: IBM mainframe or IBM PC or compatible or Wang VS
MINIMUM MEMORY: 640K
YEAR OF 1ST INSTALLATION: 1984
USERS: 86
PROFESSIONALS: 150
DESCRIPTION: FlexKey is a system for flexible benefit program enrollment, administration and reimbursement account processing. Other functions or modules include employee communication. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

PRODUCT: Mercer's TouchSource
HARDWARE: IBM PC, Video Disk Player, InfoWindow Monitor
MINIMUM MEMORY: 1 MB
YEAR OF 1ST INSTALLATION: 1989
PROFESSIONALS: 150
DESCRIPTION: Mercer's TouchSource is an interactive video disk system for flex enrollment, 401(k) modeling, company orientation and employee attitude surveys. Other functions or modules include benefit program communication to employees. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

PRODUCT: DataKey
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 640K
PRICE: $20,000 complete
YEAR OF 1ST INSTALLATION: 1987
USERS: 32
PROFESSIONALS: 150
DESCRIPTION: The DataKey's principal function is to collect and manage the flow of information in defined contribution plans; it streamlines the data gathering and plan administration processes. Software can be bought unbundled from hardware. Telephone assistance is available for eight hours on weekdays. Branch offices are nationwide.
Thomas T. Lonergan is the client contact.

Profiles of the nation's 200 largest pension funds will be published in the Jan. 21 edition.

P&W Software Inc.

5655 Lindero, Suite 403, Westlake Village, Calif. 91362; (818) 707-7690

PRODUCT: POWERPLUS
HARDWARE: IBM PC-AT, PS/2 or compatible
MINIMUM MEMORY: 640KB
PRICE: $12,500 (single company)
YEAR OF 1ST INSTALLATION: 1987
USERS: 41
PROFESSIONALS: 3
DESCRIPTION: The POWERPLUS' principal function is the administration of flexible benefit programs. Other functions or modules include employee record keeping flexible spending account administration; and discrimination testing. Software can be bought unbundled from hardware. Telephone assistance is available 14 hours a day.
Michael C. Wilson is the client contact.

Professional Computer Services

1 Civic Plaza, Suite 350, Carson, Calif. 90745; (213) 830-1072

PRODUCT: Defined Benefit Plan Administration System
HARDWARE: IBM compatible

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Dallas, TX 75240

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a 280,000 square foot office building
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Cushman & Wakefield
515 South Flower Street
Los Angeles, CA 90017

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555 California Street
San Francisco, CA 94104

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in the placement of
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Widener Building
a 485,000 square foot office building
Philadelphia, Pennsylvania
on behalf of
Widener Associates, LP
Cushman & Wakefield
Two Logan Square
Philadelphia, PA 19103

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is pleased to announce
it represented
Spyros Lanas d/b/a Spylen of Newton, Inc.
in the sale of
Plaza Square Shopping Center
a 104,000 square foot retail facility
Wayne, New Jersey
to
John Hancock Properties, Inc.
Cushman & Wakefield
One Meadowlands Plaza
East Rutherford, NJ 07073

CUSHMAN & WAKEFIELD
is pleased to announce
it represented
Martin Selig Real Estate
in the placement of
5 Year Term Financing for
Elliott Bay Office Park
a 230,000 square foot office building
Seattle, Washington
with
Equitable Life Assurance Society
Cushman & Wakefield
999 Third Avenue
Seattle, WA 98104

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is pleased to announce
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in the placement of
Participating Mortgage Financing for
Station Square
a 500,000 square foot office complex
Silver Spring, Maryland
with
Heller Financial and **Fuji Bank, Ltd.**
Cushman & Wakefield
1875 Eye Street N.W.
Washington, DC 20006

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1166 Ave. of the Americas, New York, NY 10036•(212) 841-7500

MINIMUM MEMORY: 512
YEAR OF 1ST INSTALLATION: 1964
PROFESSIONALS: 5
DESCRIPTION: The Defined Benefit Plan Administration System's principal function is complete plan administration. Software can be bought unbundled from hardware. Telephone assistance is available 10 hours a day.
Michael E. Smith is the client contact.

PRODUCT: Defined Contribution Plan Administration System
HARDWARE: IBM compatible
MINIMUM MEMORY: 512
YEAR OF 1ST INSTALLATION: 1964
PROFESSIONALS: 5
DESCRIPTION: The Defined Contribution Plan Administration System is a fully automated system for administration of defined contribution plans. Software can be bought unbundled from hardware. Telephone assistance is available 10 hours a day.
Michael E. Smith is the client contact.

PRODUCT: Health & Welfare Administration System
HARDWARE: IBM compatible
MINIMUM MEMORY: 512
YEAR OF 1ST INSTALLATION: 1964
PROFESSIONALS: 5
DESCRIPTION: The Health & Welfare Administration System is a welfare administration and claims adjudication system. Software can be bought unbundled from hardware. Telephone assistance is available 10 hours a day. Branch offices are in Carson.
Michael E. Smith is the client contact.

Pro*Systems Inc.

25100 Euclid Ave., Cleveland, Ohio 44117; (216) 731-2323

PRODUCT: Pro*Claims Processing Systems
HARDWARE: PC 386, Mini-(RISC), Mainf-(UNIX)
MINIMUM MEMORY: 4mb
PRICE: from $34,995
YEAR OF 1ST INSTALLATION: 1985
USERS: 20
PROFESSIONALS: 22
DESCRIPTION: The Pro*Claims Processing System's principal function is for employee health benefit administration. Other functions or modules include premium billing and accounts receivable. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day. Arlene Pelavin and Barry Komrich are the client contacts.

Resource Information Management Systems Inc.

P.O. Box 3094, Naperville, Ill. 60566-7094; (708) 369-5300

PRODUCT: QicClaim and QicClaim/2 Health Claims Management System
HARDWARE: runs on LAN, mini- or microcomputer platforms (Data General, Novell, Texas Instruments and Qantel Business Computers)
MINIMUM MEMORY: 4mb
YEAR OF 1ST INSTALLATION: 1982
USERS: 400
PROFESSIONALS: 35
DESCRIPTION: QicClaim and QicClaim/2's principal function is to provide automated solutions for the administration of employee health benefits programs. Other functions or modules include flexible spending, cost containment reporting, dental benefits management, PPO/HMO, prescription drug administration and managed care. Software can be bought unbundled from hardware. Telephone assistance is available 24 hours a day. Peter C. Reynolds is the client contact.

SBC Systems Corp.

30 Perimeter Center East, Suite 203, Atlanta, Ga. 30346; (404) 399-6321

PRODUCT: Defined Benefit Administration System
HARDWARE: IBM-PC compatible
MINIMUM MEMORY: 640K RAM
YEAR OF 1ST INSTALLATION: 1978
USERS: 15
PROFESSIONALS: 8
DESCRIPTION: The Defined Benefit Administration System's principal function is to act as a record-keeping system for employee retirement benefits. The system can be used to provide retirement estimates and projections, and also can perform actuarial valuations. Other functions or modules include report generation, an interface with human resource and payroll systems, and it can operate on a network. Software can be bought unbundled from hardware. Telephone assistance is available 12 hours a day.
Mary Ann Moser is the client contact.

PRODUCT: Defined Contribution/401(k) System
HARDWARE: IBM PC-AT compatible
MINIMUM MEMORY: 640K RAM
YEAR OF 1ST INSTALLATION: 1984
USERS: 20
PROFESSIONALS: 8
DESCRIPTION: The Defined Contribution/401(k) System's principal function is to handle 401(k), profit-sharing, money-purchase, thrift/savings, ESOPS and 401(b) and 457 plans. Other functions or modules include report generation, an interface with human resources and payroll systems, and it can operate on a network. Software can be bought unbundled from hardware. Telephone assistance is available 12 hours a day.
Mary Ann Moser is the client contact.

PRODUCT: Employee Communications System
HARDWARE: IBM PC-AT compatible
MINIMUM MEMORY: 640K RAM
YEAR OF 1ST INSTALLATION: 1990
PROFESSIONALS: 8
DESCRIPTION: The Employee Communications System's principal function is to provide annual comprehensive statements of employee benefits. User-defined text can be input to describe company benefit plans or generic information can be customized from system-supplied text. Other functions or modules include report generation, an interface with human resource and payroll systems, and it can operate on a network. Software can be bought unbundled from hardware. Telephone assistance is available 12 hours a day.
Mary Ann Moser is the client contact.

PRODUCT: Health & Welfare Administration System
HARDWARE: IBM PC-AT compatible
MINIMUM MEMORY: 640K RAM
YEAR OF 1ST INSTALLATION: 1986
USERS: 40
PROFESSIONALS: 8
DESCRIPTION: The Health & Welfare Administration System's principal function is to accommodate any type of flexible benefit plan. The system includes spending accounts, reimbursement processing, flexible credit formulas, and as many benefits and options as needed. Other functions or modules include report generation, an interface with human resource and payroll systems, and it can operate on a network. Software can be bought unbundled from hardware. Telephone assistance is available 12 hours a day.
Mary Ann Moser is the client contact.

PRODUCT: SBC-Talk
HARDWARE: IBM PC-AT compatible
YEAR OF 1ST INSTALLATION: 1990
USERS: 1
PROFESSIONALS: 8
DESCRIPTION: The SBC-Talk's principal function is to allow employees to use any touch-tone telephone to obtain answers to routine information requests. Custom scripts can be developed. Other functions or modules include interfacing with existing SBC systems or easy-to-use import mechanisms from any data base, payroll or human resource system. Software can be bought unbundled from hardware. Telephone assistance is available 12 hours a day.
Mary Ann Moser is the client contact.

SOTRISS Corp.

945 E. Paces Ferry Road, Atlanta, Ga. 30326; (404) 261-6313

PRODUCT: IS5 Health
HARDWARE: IBM RS/6000, AS/400, 3090
YEAR OF 1ST INSTALLATION: 1990
USERS: 3
PROFESSIONALS: 60
DESCRIPTION: The IS5 Health's principal function is administration and claims adjudication of medical, dental, vision, drug, LTD, STD, WC and long-term care benefit plans. Other functions or modules include PPO, utilization review, COBRA, ad hoc reporting, fund management and commissions. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day. Branch offices are in Chicago and Los Angeles.
The sales department in Atlanta is the client contact.

Emerging markets: March 4

Spectrum Human Resource Systems Corp.

1625 Broadway, Suite 2800, Denver, Colo. 80202; (303) 534-8813

PRODUCT: HR/2000
HARDWARE: IBM PC or compatible, MS or PC DOS
MINIMUM MEMORY: 640K RAM; 20mb hard drive
YEAR OF 1ST INSTALLATION: 1984
USERS: 2000
PROFESSIONALS: 70
DESCRIPTION: The HR/2000's principal function is to act as a PC-based human resource management system, including benefits tracking. Other functions or modules include COBRA tracking, extended benefits and flexible benefits/spending. Telephone assistance is available 10.5 hours a day.
Nancy Spoor is the client contact.

Stellar Software Inc.

19406 E. Floyd Ave., Aurora, Colo. 80013; (303) 680-9408

PRODUCT: Flex-Star
HARDWARE: IBM-PC or compatibles, 286 and 386 based machines, mini and mainframes
MINIMUM MEMORY: 640K
YEAR OF 1ST INSTALLATION: 1987
USERS: 15
PROFESSIONALS: 4
DESCRIPTION: The Flex-Star's principal function is to perform all tasks associated with the enrollment and administration of IRC Sec. 125 flexible benefit plans. Other functions or modules include survey, discrimination testing, check processing and all applicable reports. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day.
Otto F. Feiler is the client contact.

Stop Loss International Corp. - Select Software

3333 Founders Road, Indianapolis, Ind. 46268; (317) 876-4741

PRODUCT: ULTRAPLUS — Flexible Benefits Administration
HARDWARE: PCs or LANs
MINIMUM MEMORY: 640K
PRICE: $15,000
YEAR OF 1ST INSTALLATION: 1987
USERS: 12
PROFESSIONALS: 65
DESCRIPTION: The ULTRAPLUS' principal function is to enroll and administer all types of group insurance plans, including cafeteria plans, modular plans, flexible spending accounts, premium-only plans and core plans.
Other functions or modules include management reporting, insurance premium billing, and Section 125 discrimination testing. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. Branch offices are in Chicago, Dallas, Scottsdale, Kansas City, Atlanta and Philadelphia.
Joe C. Reppert is the client contact.

TPF&C

1500 Market St., Philadelphia, Pa. 19102; (215) 246-6000

PRODUCT: AccountManager
HARDWARE: MVS/XA compatible mainframe
MINIMUM MEMORY: 32mb
YEAR OF 1ST INSTALLATION: 1983
USERS: 80
PROFESSIONALS: 4,200
DESCRIPTION: The AccountManager's principal function is to perform administration, record keeping and reporting for all types for defined contribution plans. It handles all aspects of plan processing from plan set-up to reconciliation. It uses a relational data base and is parameter driven. Other functions or modules include on-line access; employee telephone access; and timesharing. Software can be bought unbundled from hardware. Telephone assistance is available 21 hours a day, Monday through Saturday; 18 hours on Sunday. Branch offices are worldwide.
Bob Stapley and Michael Hockersmith are the client contacts.

PRODUCT: FlexManager
HARDWARE: IBM PC/AT or compatible; 320mb hard drive
MINIMUM MEMORY: 4mb
YEAR OF 1ST INSTALLATION: 1987
USERS: 45
PROFESSIONALS: 4,200
DESCRIPTION: The FlexManager's principal function is to administer flexible benefits plans and/or flexible spending accounts. Other functions or modules include telphone enrollment; link to Lotus 1-2-3; and mainframe flex administration. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. Branch offices are worldwide.
Gloria Nofsinger is the client contact.

PRODUCT: PenCalc
HARDWARE: IBM-PC or compatible
MINIMUM MEMORY: 320K
YEAR OF 1ST INSTALLATION: 1974 (mainframe); 1985 (PC)
USERS: 116
PROFESSIONALS: 4,200
DESCRIPTION: The PenCalc's principal function is to perform pension and Social Security calculations for terminations, retirements and deaths. It calculates actual and estimated benefits, and generates estimates for pre-retirement counseling and open windows. Other functions or modules include the ability to produce worksheets, option election forms and personalized letters. It also can be integrated into PensionManager. Software can be bought unbundled from hardware. Telephone assistance is available from 9 a.m. to 5 p.m., Monday through Friday. Branch offices are worldwide.
Dick Clark is the client contact.

PRODUCT: PensionManager
HARDWARE: IBM PC or compatible
MINIMUM MEMORY: 2mb
YEAR OF 1ST INSTALLATION: 1986
USERS: 90
PROFESSIONALS: 4,200
DESCRIPTION: The PensionManager's principal function is to manage a data base of defined benefit and welfare plan information for active and inactive employees. It automatically links to payroll and human resources systems, and operates as a stand-alone system or in a LAN environment. Other functions or modules include creating custom reports, letters and benefit statements. Software can be bought unbundled from hardware. Telephone assistance is available 9 a.m. to 5 p.m., Monday through Friday. Branch offices are worldwide.
Dick Clark is the client contact.

PRODUCT: SSCalc
HARDWARE: IBM-PC or compatible
MINIMUM MEMORY: 320K

We are pleased to announce that

Larry Larkin

has joined our firm as

Senior Vice President

Leland O'Brien Rubinstein Associates Incorporated
Los Angeles

Wyatt Software would like to congratulate the winners of this year's Nobel Prize in Economics, Harry Markowitz and William Sharpe, for their outstanding achievement in investment theory. Since 1984, we have been dedicated to automating your implementation of modern portfolio theory with **AIM**, our PC-based asset allocation software system.

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800-776-1046

YEAR OF 1ST INSTALLATION: 1974 (mainframe); 1984 (PC)
USERS: 290
PROFESSIONALS: 4,200
DESCRIPTION: The SSCalc's principal function is to calculate old-age, disability and survivor benefits as well as the maximum family benefit, using either estimated past earnings or actual earning histories. Other functions or modules include the ability to be integrated into PensionManager. Software can be bought unbundled from hardware. Telephone assistance is available 9 a.m. to 5 p.m., Monday through Friday. Branch offices are worldwide.
Theresa Schlussel is the client contact.

Travis Software Corp.
1001 S. Dairy Ashford 206, Houston, Texas 77077; (713) 496-3737

PRODUCT: Corporate COBRA Manager
HARDWARE: IBM-PC or 100% compatible with fixed disk
MINIMUM MEMORY: 512K
PRICE: $1,295
YEAR OF 1ST INSTALLATION: 1986
USERS: 2,281
PROFESSIONALS: 12
DESCRIPTION: The Corporate COBRA Manager's principal function is automatic printing of all COBRA related letters and forms, tracking of enrollment dates, billing and collection of premium to COBRA beneficiaries. Other functions or modules include a custom letter writer and custom report writer. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day.
Alan H. Williams is the client contact.

PRODUCT: Group Premium Billing System
HARDWARE: IBM-PC or 100% compatible with fixed disk
MINIMUM MEMORY: 640K
PRICE: $5,995
YEAR OF 1ST INSTALLATION: 1988
USERS: 28
PROFESSIONALS: 12
DESCRIPTION: The Group Premium Billing System's principal function is to bill premiums and report collections when a premium needs to be billed to employers who are provided group life, health, LTD and/or AD&D coverage by METs and associations. Other functions or modules include calculating commissions and printing commission checks. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day.
Alan H. Williams is the client contact.

PRODUCT: Retiree Premium Billing Manager
HARDWARE: IBM-PC or 100% compatible with fixed disk
MINIMUM MEMORY: 512K
PRICE: $1,295
YEAR OF 1ST INSTALLATION: 1987
USERS: 302
PROFESSIONALS: 12
DESCRIPTION: The Retiree Premium Billing Manager's principal function is to bill premiums and report collections for life and health benefit plans to retirees and those on leave of absence. Other functions or modules include calculating applicable premiums through use of age-rated tables. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day.
Alan H. Williams is the client contact.

PRODUCT: Travis-Flex
HARDWARE: IBM-PC or 100% compatible with fixed disk
MINIMUM MEMORY: 640K
PRICE: $1,295
YEAR OF 1ST INSTALLATION: 1987
USERS: 481
PROFESSIONALS: 12
DESCRIPTION: The Travis Flex's principal function is enrollment and administration of flexible benefit plans and flexible spending accounts. Other functions or modules include a custom report writer and a downloading module. Software can't be bought unbundled from hardware. Telephone assistance is available nine hours a day.
Alan H. Williams is the client contact.

WLT Software of Florida Inc.
24671 U.S. 19 North, Suite 460, Clearwater, Fla. 34623; (813) 797-7814

PRODUCT: COBRAPLUS
HARDWARE: IBM or compatible PC; operates in networks.
MINIMUM MEMORY: 640K
PRICE: $1,500
YEAR OF 1ST INSTALLATION: 1987
DESCRIPTION: The COBRAPLUS' principal function is Cobra administration and billing. It can generate automatic past-due and terminated notices and terminate for non-payment. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day.
Ann M. Brooks is the client contact.

PRODUCT: COMPCLAIMS Workers' Compensation Claims Administration System
HARDWARE: IBM or compatible PC with DOS 3.3 operating system; operates in networks.
MINIMUM MEMORY: 1 meg
PRICE: $15,000
YEAR OF 1ST INSTALLATION: 1983
DESCRIPTION: COMPCLAIMS' principal function is to act as a processing, payment and billing system for worker compensation claims. It provides automatic fee bill billing, extensive reporting and a letter writer. Other functions and modules include accommodating preferred provider processing, printing checks, 1099s and W2s with magnetic reporting to the IRS. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day.
Ann M. Brooks is the client contact.

PRODUCT: FLEXCLAIMS
HARDWARE: IBM or compatible PC with DOS 3.3 operating system
MINIMUM MEMORY: 640K
PRICE: $5,000
YEAR OF 1ST INSTALLATION: 1985
DESCRIPTION: The FLEXCLAIM's principal function is the administration of Section 125 plans; a complete fund accounting and payment system for flexible benefit plans. Other functions or modules include extensive reporting and a letter writer. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day.
Ann M. Brooks is the client contact.

PRODUCT: MEDICLAIMS Health Claims Administration System
HARDWARE: IBM or compatible PC with DOS 3.3 operating system; operates in networks.
MINIMUM MEMORY: 1 meg
PRICE: $35,000
YEAR OF 1ST INSTALLATION: 1981
DESCRIPTION: MEDICLAIMS' principal function is to provide processing and billing systems for medical, dental, vision, long- and short-term disability, flexible benefits, prescription drugs, PPO and reasonable and customary processing. It also includes COBRA administration. Other functions include extensive reporting and letter writer; prints checks, employee I.D. cards, and 1099s and W2s with magnetic reporting to the IRS. Software can be bought unbundled from hardware. Telephone assistance is available nine hours a day.
Ann M. Brooks is the client contact.

WTR Data Services
630 Third Ave., New York, N.Y. 10017; (212) 949-8989

PRODUCT: ADMINI*FLEX
HARDWARE: IBM PC or 100% compatible with at least 4mb free hard disk
MINIMUM MEMORY: 512K RAM
PRICE: $15,000 - $25,000
YEAR OF 1ST INSTALLATION: 1986
USERS: 17
PROFESSIONALS: 8
DESCRIPTION: The ADMINI*FLEX's principal function is to enroll and maintain flexible benefit options. Other functions or modules include the option to administer flexible spending accounts; phone enrollment is available. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. Branch offices are in Baltimore, Washington, Richmond, Indianapolis, and Philadelphia.
Michael Holden is the client contact.

PRODUCT: The Benefits Reporter
HARDWARE: IBM-PC or 100% compatible with at least 4mb free hard disk
MINIMUM MEMORY: 512K RAM
PRICE: $1,995
YEAR OF 1ST INSTALLATION: 1990
USERS: 3
PROFESSIONALS: 8
DESCRIPTION: The Benefits Reporter's principal function is to produce professional comprehensive benefit statements for employees, and benefit management reports for benefit managers. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. Branch offices are in Baltimore, Washington, Richmond, Indianapolis and Philadelphia.
Michael Holden is the client contact.

PRODUCT: MED*E*CALC
HARDWARE: IBM-PC or 100% compatible with at least 2mb free hard disk
MINIMUM MEMORY: 512K RAM
PRICE: $595
YEAR OF 1ST INSTALLATION: 1989
USERS: 30
PROFESSIONALS: 8
DESCRIPTION: The MED*E*CALC's principal function is to value and compare different types of health plans. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. Branch offices are in Baltimore, Washington, Richmond, Indianapolis and Philadelphia.
Michael Holden is the client contact.

PRODUCT: The Retirement Benefit System
HARDWARE: IBM-PC or 100% compatible with at least 4mb free hard disk
MINIMUM MEMORY: 512K RAM
PRICE: $10,000 - $20,000
YEAR OF 1ST INSTALLATION: 1986
USERS: 7
PROFESSIONALS: 8
DESCRIPTION: The Retirement Benefit System's principal function is to perform estimates and calculations for defined benefit pension plans. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. Branch offices are in Baltimore, Washington, Richmond, Indianapolis and Philadelphia.
Michael Holden is the client contact.

PRODUCT: WTR's Spending Account Module (SAM III)
HARDWARE: IBM-PC or 100% compatible with at least 3mb free hard disk
MINIMUM MEMORY: 512K RAM
PRICE: $3,500
YEAR OF 1ST INSTALLATION: 1986
USERS: 40
PROFESSIONALS: 8
DESCRIPTION: The SAM III's principal function is to administer flexible spending accounts from employee elections through check writing. Other functions or modules can be integrated into a full flexible benefit system. Software can be bought unbundled from hardware. Telephone assistance is available eight hours a day. Branch offices are in Baltimore, Washington, Richmond, Indianapolis and Philadelphia.
Michael Holden is the client contact.

Profiles of the largest pension funds: Jan. 21.

Taxes

Continued from page 17
lump-sum distributions that were subject to these flexible tax rules, according to a 1989 projection by the Employee Benefit Research Institute, Washington.

While EBRI estimates repeal of five-year averaging could generate approximately $1.4 billion annually in new revenue for Uncle Sam, that projection does not account for behavioral changes that might come about as a result of the stricter tax measures.

But some Senate staff members say legislation in this area is unlikely if it's a money loser for the government. Congress is awaiting official estimates on how the proposals would affect government revenue, but one staffer said the rollover rule changes might cost the government "in the $5 billion range" over five years.

Earlier this year, the simplification effort was stalled because of lawmakers' inability to agree on how to finance certain revenue losing provisions of the bill.

"Simplification is good, but the reality of the budget process is that we can't do anything that is very, very expensive," said Jeff Trinca, legislative assistant with Sen. David Pryor, D-Ark., who introduced the pension simplification legislation last summer.

But Thomas D. Terry, benefits tax counsel at the Department of Treasury said: "We believe there can be reasonable simplification without revenue loss." The department has made simplification of the distribution rules a top priority, Mr. Terry said.

In August, Sen. Pryor proposed the repeal of forward averaging rules as part of a package that would encourage participants to transfer tax-qualified retirement savings to other retirement vehicles rather than cash out. The proposal was part of the Employee Benefits Simplification Act (S. 2901) that was co-sponsored by Sen. Lloyd Bentsen, D-Texas, and Sen. Jim Jeffords, R-Vt.

Provisions of the legislation that dealt with pension distribution rules received support at an August congressional hearing from officials at the Department of Labor and at the Treasury Department, provided the changes were part of an overall package that was revenue neutral.

Under current law, plan participants who receive a distribution from a qualified plan cannot roll it over to defer taxes unless the distribution and the portion to be transferred equals at least 50% of their accounts' total assets.

For participants who wait until age 59½ to cash out their savings, the five-year forward average rules provide significant tax advantages.

"At the moment, that's a real tax break," said Henry von Wodtke, benefits consultant with Buck Consultants, New York.

Under the proposed legislation, the rules governing tax-free rollovers would be relaxed to allow employees to roll over any portion, no matter how small, of their tax-qualified distributions. Pre-retirement age distributions over $500 would be required to be rolled over, while five-year forward averaging rules would be eliminated.

In an analysis of the legislation prepared by Congress' Joint Committee on Taxation, the committee staff argued five-year forward averaging is not necessary under liberalized rollover rules.

"The original intent of the income averaging rules was to prevent a bunching of taxable income," the pamphlet said. "Liberalization of the rollover rules increases the flexibility of taxpayers in determining the time of the income inclusion of pension distributions, and eliminates the need for special rules to prevent bunching of income."

Some employers, however, view Congress' simplification effort as needless fiddling that will take flexibility from employees and discourage participation in retirement savings plans.

"There appears to be a carrot-and-stick approach," said Mark Ugoretz, president of the ERISA Industry Committee, Washington, referring to tax incentives to put money away, and restrictions on cashing out retirement savings. But, he said, "The carrot has shriveled and the stick has become a heavy club." ■

Cash

Continued from page 17
Cooper was the first major manufacturing company to adopt cash balance in July 1986.

"As an organization, we have a philosophical bent toward defined contribution plans and our first choice would have been to implement a defined contribution plan," he said. At the time, Cooper was integrating benefit plans of McGraw Edison Co., which was being acquired by Cooper.

He said Cooper wanted to retain some of the features of the existing defined benefit plans — such as early retirement subsidies and financing of long-term disability — but couldn't with a defined contribution plan.

The Cooper Industries cash balance plan covers 10,000 employees and has assets of more than $450 million, he said.

He said the plan "is one of the most appreciated benefits" offered by the company.

"With the cash balance plan, the fact that we are putting statements out on a quarterly basis and each paycheck stub contains the amount of credits earned, we are able to keep the pension plan in front of the employees on a regular basis. We have turned around the perception of our plan dramatically," he said.

Mr. O'Neill said the cost issue is "subjective" when discussing cash balance plans. "We look at it in a broader sense of what are we getting for what we pay. Without paying any more, we've got a program we're getting something from — a whole lot of employee appreciation."

Mr. O'Neill said it is "unfortunate" the cash balance plan is a defined benefit plan, "which is subject to all the defined benefit requirements coming out of Washington."

Kayser-Roth Corp., Greensboro, N.C., adopted its cash balance plan in 1989 by combining two defined benefit plans. Douglas Hartsell, director of benefits and compensation, said the company decided to switch following the passage of the Tax Reform Act of 1986.

Aside from the additional restrictions on pension plans in the tax bill, "another reason we liked it was while it is a defined benefit plan, it looks like a defined contribution plan to employees and we can provide very good plan communications," he said.

Mr. Hartsell said Kayser-Roth provides quarterly statements to employees on account balances, along with estimated account balances at ages 55 and 65.

He said projected pension costs will be the same as under the defined benefit plans, "but we didn't do it to save money. We did it to replace a benefit that needed to be replaced."

Kwasha-Lipton is the acknowledged leader in pioneering the cash balance plan and is promoting its expanded usage.

Norm Clausen, a Kwasha consultant, said costs associated with cash balance are determined by the level of benefits desired by the company and "the only way it can cost less is if you provide lower benefits."

Frequently, he said, cash balance plans are adopted for that reason by companies that believe their benefit packages are too rich or that costs associated with existing benefit levels are excessive.

When the company converts to cash balance, the employee communications problem associated with dropping one plan in favor of another is alleviated to some extent by the popularity of individual account balances and regular statements.

"Cash balance plans are appreciated by employees, but that is seldom the reason companies adopt cash balance. They adopt usually in order to cut back on benefit packages or expenses," Mr. Clausen said.

Mr. Clausen said the pace of cash balance plan adoption should increase more rapidly in the future.

"Growth has been occurring at a geometric rate and will grow even faster. To a large extent companies haven't been adopting cash balance because consultants have recommended against it. A lot of that is due to unfamiliarity with the concept . . . More consultants are becoming familiar with it now and are willing to recommend it. I wouldn't be surprised to see 50 more (plans adopted) next year and 100 the year after that." ■

TSA chosen by Daiwa as adviser for Japanese fund

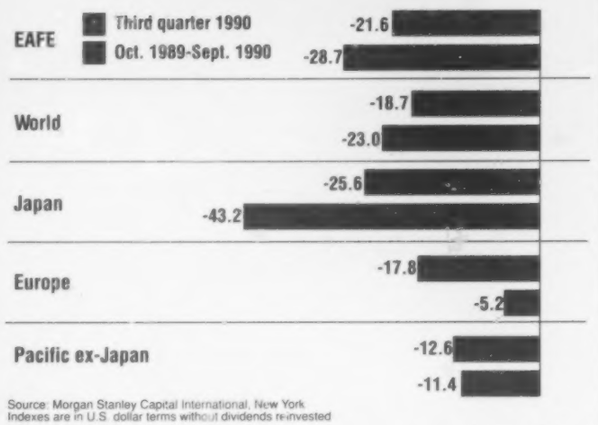
TOKYO — Daiwa Investment Trust and Management Co. Ltd. has chosen TSA Capital Management, Los Angeles, as investment adviser for a four-country global asset allocation fund for Japanese investors.

The fund uses TSA's quantitative asset allocation and active currency management models to shift exposure among stocks, bonds and cash equivalents in the United States, Japan, United Kingdom and Germany. TSA's recommendations are implemented in Tokyo by Daiwa Investment Trust, a subsidiary of Daiwa Securities Co. Ltd. Both physical securities and futures contracts are used.

The fund's assets amount to less than $50 million, TSA officials said; they declined to be more specific. Investors are primarily individuals.

TSA plans to work with Daiwa Investment Trust in designing and marketing jointly managed quantitative for U.S. institutional investors. ■

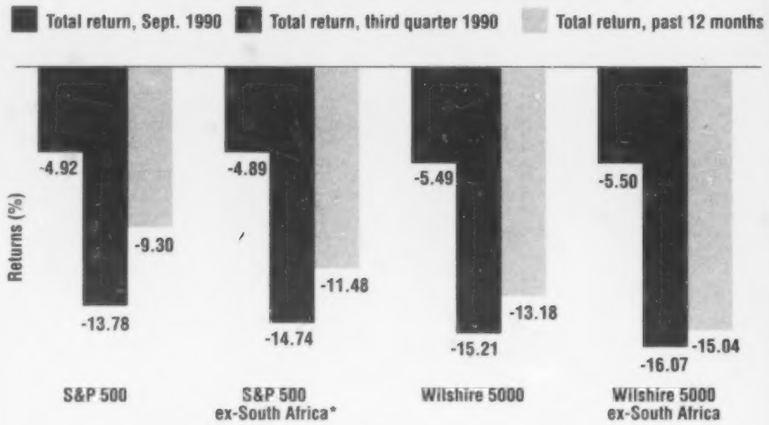
Morgan Stanley Capital International worldwide indexes



Source: Morgan Stanley Capital International, New York
Indexes are in U.S. dollar terms without dividends re-invested

Graphic by John Heiland

The South Africa Free Index



*Excludes stock of companies with an equity stake in a South Africa business, no replacements.

Source: Wilshire Associates, Santa Monica, Calif.

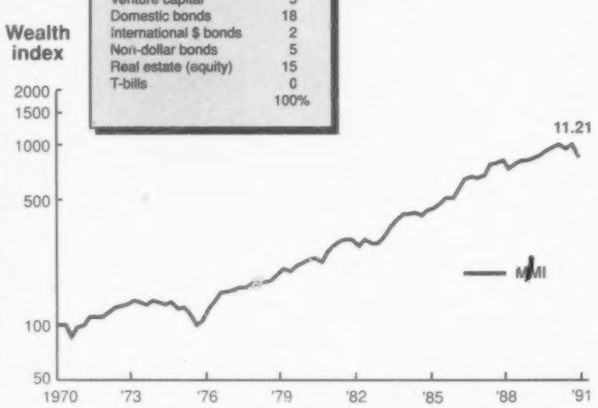
Graphic by Cynthia Watson

Multiple Markets Index

The Multiple Markets Index is a benchmark for total portfolio returns. It is composed of eight asset classes used by retirement plan executives; it is calibrated to reflect the same degree of risk of the typical pension portfolio; it uses passive fixed policy weights; and it represents the individual asset classes by the broadest and most complete market return data available.

Weights	
Large-cap stocks	28%
Small-cap stocks	12
International stocks	15
Venture capital	5
Domestic bonds	18
International $ bonds	2
Non-dollar bonds	5
Real estate (equity)	15
T-bills	0
	100%

Five-year annualized return	12.29%
One-year return	-6.92%
Latest quarter	-8.98%



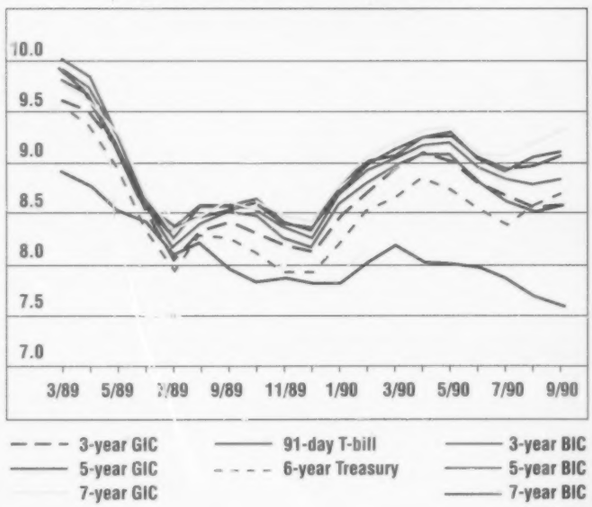
12/31/69 = 100
Data through 9/30/90

Source: Brinson Partners Inc., Chicago

Graphic by John Heiland

Summary of average GIC & BIC data vs. market yields

(Bullet, compound $1 million contract)



Source: William M. Mercer Asset Planning Inc.

Graphic by Cynthia Watson

Third quarter 1990 returns

	Russell 3000®	Russell 1000®	Russell 1000® by market capitalization				Russell 2000®
			Large	Medium/large	Medium	Medium/small	
Technology	-22.24%	-21.41%	-16.70%	-23.30%	-40.56%	-30.17%	-32.60
Health care	-9.28	-8.11	-8.13	-5.45	-6.81	-14.89	-25.43
Consumer discretionary	-23.74	-23.21	-22.92	-22.69	-22.82	-25.71	-29.61
Consumer staples	-9.39	-9.19	-8.64	-6.71	-17.51	-16.11	-20.31
Integrated oils	6.37	6.44	7.00	3.43	-0.29	-18.01	-19.54
Other energy	-3.66	-3.78	0.00	-6.67	-2.06	5.33	-2.37
Materials and processing	-17.32	-16.73	-19.66	-13.51	-16.66	-19.63	-22.49
Producer durables	-22.43	-21.84	-23.49	-19.68	-20.80	-27.22	-28.70
Auto and transportation	-24.22	-24.22	-24.92	-21.04	-27.39	-24.68	-24.28
Financial services	-25.52	-25.65	-25.07	-26.18	-25.44	-25.30	-23.38
Utilities	-8.19	-8.14	-8.36	-6.77	-10.81	-6.22	-10.37
Total	-15.17	-14.60	-10.42	-15.49	-19.44	-20.73	-24.54

Source: Frank Russell Co., Tacoma, Wash.

Rates on GICs inch up during 3rd quarter

By Fred Williams

Rates on guaranteed investment contracts increased slightly during the third quarter as quality spreads of GICs over Treasury instruments of similar maturities held relatively steady.

John Knight, president of Lamberson Knight Inc., a GIC brokerage in Short Hills, N.J., said rates were up "a little on the quarter, by about 35 to 40 basis points . . . with the three- to five-year maturities the strongest."

Mr. Knight said spreads "widened to some degree, partly due to the flight to quality" resulting from concerns over economic conditions and the threat of hostilities in the Middle East.

Mr. Knight said he has noticed some buyers looking to restrict their contract purchases to higher rated companies, both banks and insurance companies, with some willing to give up 10 to 15 basis points by staying with AAA rated companies rather than AA credits.

Quality spreads over comparable Treasuries ranged from 0.7% to 1.1% for shorter maturity GICs, with larger spreads on longer maturity contracts of 0.85% to 1.64%, according to Peter Bowles, president of Fiduciary Capital Management Inc., Woodbury, Conn.

Some GIC sources believe GIC spreads may tighten slightly during the remainder of 1990 because of the intensified competition by insurance companies for higher quality vehicles in which to invest GIC proceeds.

The following insurance company rate quotations on representative five-year, single-deposit, simple-interest, $1 million GICs were provided by Lamberson Knight and GIC Inc., Beaverton, Ore.:

- Allstate Life Insurance Cos., Northbrook, Ill.: Sept. 28, 9.06%; June 29, 8.99%.
- Bankers Life Assurance Co., Des Moines, Iowa: 8.64%; 8.[illegible]%.
- Canada Life Assurance Co., Toronto: 9.17%; 8.91%.
- CNA Insurance Co., Chicago: 9.01%; 8.6%.
- Confederation Life Insurance Co., Atlanta: 9.15%; 9.16%.
- Connecticut Mutual Life Insurance Co., Hartford: 8.87%; 8.92%.
- Continental Assurance Co., Chicago: 8.99%; 8.89%.
- Crown Life Insurance Co., Toronto: 8.88%; 9.03%.
- Hartford Life Insurance Co., Hartford, Conn.: 8.92%; 8.95%.
- John Hancock Mutual Life Insurance Co., Boston: 8.8%; 8.87%.
- Life Insurance Co. of Georgia, Atlanta: 8.8%, 8.95%.
- Life Insurance Co. of Virginia, Richmond: 8.92%; 8.91%.
- Lincoln National Life Insurance Co., Fort Wayne, Ind.: 8.96%; 8.92%.
- Massachusetts Mutual Life Insurance Co., Springfield: 8.67%; 8.82%.
- Mutual Life Insurance Co. of New York, New York: 9.04%; 9.02%.
- New England Mutual Life Insurance Co., Boston: 8.61%; 8.64%.
- New York Life Insurance Co., New York: 9.05%; 9%.
- Northwestern National Life Insurance Co., Minneapolis: 8.97%; 8.94%.
- Ohio National Life Insurance Co., Cincinnati: 9.2%; 9.1%.
- Pacific Mutual Life Insurance Co., Newport Beach, Calif.: 8.33%; 8.26%.
- SAFECO Corp., Seattle: 9.15%; 9.22 (June 12).

William M. Mercer Asset Planning Inc., Deerfield, Ill., surveys insurance companies for rate quotations and provided the following summary of various bullet GICs for September 1990:

- Three-year, $1 million, compound: high, 8.97%; low, 7.89%; average, 8.61%.
- Three-year, $1 million, simple: high, 8.97%; low, 7.9%; average, 8.58%.
- Five-year, $1 million, compound: high, 9.47%; low, 8.36%; average, 9.1%
- Five-year, $1 million, simple: high, 9.85%; low, 8.34%; average, 9.05%.
- Seven-year, $1 million, compound: high, 9.75%; low, 8.65%; average, 9.37%.
- Seven-year, $1 million, simple: high, 9.8%; low, 8.69%; average, 9.28%.
- Three-year, $5 million, compound: high, 9.02%; low, 8.22%; average, 8.68%.
- Three-year, $5 million, simple: high, 9.02%; low, 8.2%; average, 8.65%.
- Five-year, $5 million, compound: high, 9.47%; low, 8.65%; average, 9.15%.
- Five-year, $5 million, simple: high, 9.45%; low, 8.62%; average, 9.1%.
- Seven-year, $5 million, compound: high, 9.8%; low, 8.75%; average, 9.43%.
- Seven-year, $5 million, simple: high, 9.8%; low, 8.75%; average, 9.34%.

Schmidt Management Co., a GIC market research firm in Tulsa, Okla., has developed a guaranteed product performance measurement index. The Schmidt GIC composite index approximates the return of a continuous, equally weighted investment in one- to 10-year original-maturity GICs (The index shows returns, not rates).

Total returns for the quarter and 12 months ended Sept. 30 were 2.3% and 9.7%, respectively. In comparison, the Standard & Poor's 500 Stock Index returned −13.7% and −9.3%; the Merrill Lynch Government/Corporate Bond Index returned 3% and 6.6%; and 91-day Treasury bills, 1.9% and 7.9%.

Mercer also surveys banks for rate quotations on their guaranteed instruments. Rate quotes for one- and three-year bullet BICs for September were:

- One-year, $1 million, compound: high, 8.41%; low, 7.5%; average, 7.97%.
- One-year, $1 million, simple: high, 8.41%; low, 7.5%; average, 8%.
- Three-year, $1 million, compound: high, 8.91%; low, 8.35%; average, 8.59%.
- Three-year, $1 million, simple: high, 0.08%; low, 8.35%; average, 8.66%.
- One-year, $5 million, compound: high, 8.47%; low, 7.5%; average, 8%.
- One-year, $5 million, simple: high, 8.47%; low, 7.5%; average, 8.06%.
- Three-year, $5 million, compound: high, 8.95%; low, 8.19%; average, 8.6%.
- Three-year, $5 million, simple: high, 9.11%; low, 8.35%; average, 8.68%. ■

Writedowns

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them fast enough in the view of some consultants and advisers.

A top executive with a major real estate advisory firm, who declined to be identified, said he is telling his pension clients to watch for sharp writedowns to be announced in the coming months by managers with high concentrations of holdings in the Northeast.

"Nobody likes to admit values are going down. It takes people a while to reach acceptance," said Theodore M. Leary Jr., a principal with the real estate advisory firm Lowe Enterprises Inc., Los Angeles.

What is happening in the Northeast will be a shock for many pension funds, said Mr. Leary. "The Northeast has been experiencing 10 to 15 years of growth, and generally it has never experienced drops in values or foreclosures."

It is the big bank problems in the Northeast that will force reality on the pension real estate advisers, said Mr. Leary. "Bank examiners who were in Texas and Colorado are now coming to the Northeast telling banks a $10 million property is not worth $8 million, but $5 million instead."

Three major banks — Citibank, Chase Manhattan Bank and Bank of New England — have an estimated $5.6 billion in problem real estate loans.

While regulatory action is forcing banks into quick acceptance of writedowns, acceptance "for pension funds may take longer because no regulators are driving it," said Mr. Leary.

Some real estate advisers also might resist recognizing falling property values, said Mr. Barthell.

"Let's look at what the impact of reappraising is on that fund manager. One, he has less assets under management. Does that impact his pocketbook? I think so," Mr. Barthell said. Downward appraisals also hurt the track record and reputation, he said. "There is a domino effect, and (real estate advisers) don't want to set off that domino — or maybe they can make it a bunch of little dominoes."

While writedowns on Northeast properties are "overdue," they will happen, predicts Mr. Barthell. "The triggering effect is going to come when the funds say to their fund managers, 'I now there is something wrong with this picture. I know the Northeast is in trouble, but you are telling me I have had no decrement to value.' "

Charles R. Lightner, a senior vice president with Prudential Real Estate Investors, Newark, N.J., said Prudential's $3.5 billion PRISA I open-end fund already has taken some writedowns, including some as high as 15% to 20% during the past 12 months for some of the fund's small hotels in the Northeast.

PRISA I has about 12% of its assets in hotel properties, he said.

He also said there has been no gain in appreciation for some of the fund's larger properties, including those where Prudential has made multimillion-dollar improvements. The lack of appreciation in properties where improvements were made means those holdings have suffered depreciation.

Mr. Lightner contends PRISA properties are marked to market. Unlike some other advisers, Prudential uses about 45 independent appraisers. In addition, properties valued at more than $100 million are appraised every quarter, while those valued between $50 million and $100 million are appraised every other quarter.

Mr. Lightner offered some qualifications. He said there aren't many properties being sold in the Northeast now so it is difficult for appraisers to get enough sales data for accurate valuations.

Problems in the Northeast are coming at a time when the real estate appraisal process is one of the most controversial topics among pension investors, said Nori Gerardo, a consultant with Pension Consulting Alliance, Glendale, Calif.

Sylvia Farrell-Jones, senior investment officer for real estate with the $8 billion State of Connecticut Trust Funds, Hartford, said appraisals have been lagging property price moves not just in the Northeast, but all over the nation and for as long as the appraisal problem has been in existence.

Many view it as a problem in the Northeast now, she said, because property values in many instances are moving down and management fees are tied to the lagging appraised values.

Money managers have been accused by some pension officers and consultants of waiting too long to write down properties after values fall.

She said she and many other pension officers don't know the complete solution to the appraisal problem, but some pension funds have been moving in the direction of performance-based fees, in part to deal with lags in the current appraisal process.

According to pension consultants, performance fees can be arranged where a pension fund would pay lower up-front or front-end management fees and higher subsequent or back-end fees if warranted.

The back-end fees presumably would allow enough time for the appraisal process to catch up true values. Or, the performance fee could be paid when the property is actually sold.

Ms. Gerardo agreed performance fees can be used to grapple with the lag in appraisals, but she also noted plan sponsors "by and large" don't complain when property values rise and money managers are "under compensated" because of the lagging effect of the appraisal process.

Some pension officers have questioned whether appraisals done by real estate advisers are completed in a fashion they need to get an accurate picture of values.

A few pension plans have considered using outsider appraisers, or like the $57 billion California Public Employees' Retirement System, Sacramento, have stipulated what information it needs in its real estate adviser and appraisal reports. ■

Reversion

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plans in Australia with about $1.73 billion in assets.

Westpac management claimed the fund had been the subject of an actuarial review, which found a $770 million surplus.

The review was confirmed by an independent actuary early in 1989 before Westpac went on a "contribution holiday" with the cessation of employer contributions to the fund; participants continued to make contributions.

Six months ago, bank officials and fund trustees agreed to divide the fund's surplus by using $230 million to increase members' benefits and transferring $250 million to the bank. The remainder would remain in the fund as surplus. The transfer added $152 million to Westpac's net profit of $526 million for the year ended Sept. 30 and enabled the bank to maintain its previous year's interim dividend of 52 cents per share in the face of a 39% decline in net profit from the previous year.

Mark Lynch, a union spokesman, said it was not right for the bank to transfer the participants' money in that way.

"The superannuation scheme was established for the benefit of the members. Any surplus is a surplus which arises out of the funds held on trust for the members," he said.

Mr. Lynch claimed a majority of participants had not been aware of the surplus/benefit increase trade-off until the bank released its half yearly profit results in September. Several members complained, urging the union to take legal action.

Westpac, in a statement issued by its legal representatives, stated both the bank and trustees had given "careful consideration to the proposal" and had sought thorough legal and actuarial advice before implementing the amendments.

Westpac claimed it would vigorously defend its actions as "both legally and ethically correct."

Four of the eight trustees are bank employees and are elected by members of the pension fund, two are Westpac directors and two are senior bank officers.

While the litigation will inevitably thrash out some crucial issues in the development of pension plan design in Australia, it is questionable as to how the existing members can stand to benefit from the court proceedings.

At best, should the union win the case, the surplus would be transferred back to the fund rather than used to increase benefits. The initial $230 million set-aside for benefit improvements has been frozen pending a legal resolution.

A key point in the case appears to lie in the existence of a provision in the original trust deed preventing the transfer of surpluses back to the employer. If this was unlawfully removed, then it would render the ongoing amendments also illegal.

The details of the original trust deed have not been made public.

The case is expected to clarify whether an Australian employer is obliged to act in the members' interests in any amendments to the trust deed relating to a surplus. ■